From Perseverance to Progress

Heranba Industries Limited

Annual Report **2023-24**

From Perseverance to Progress

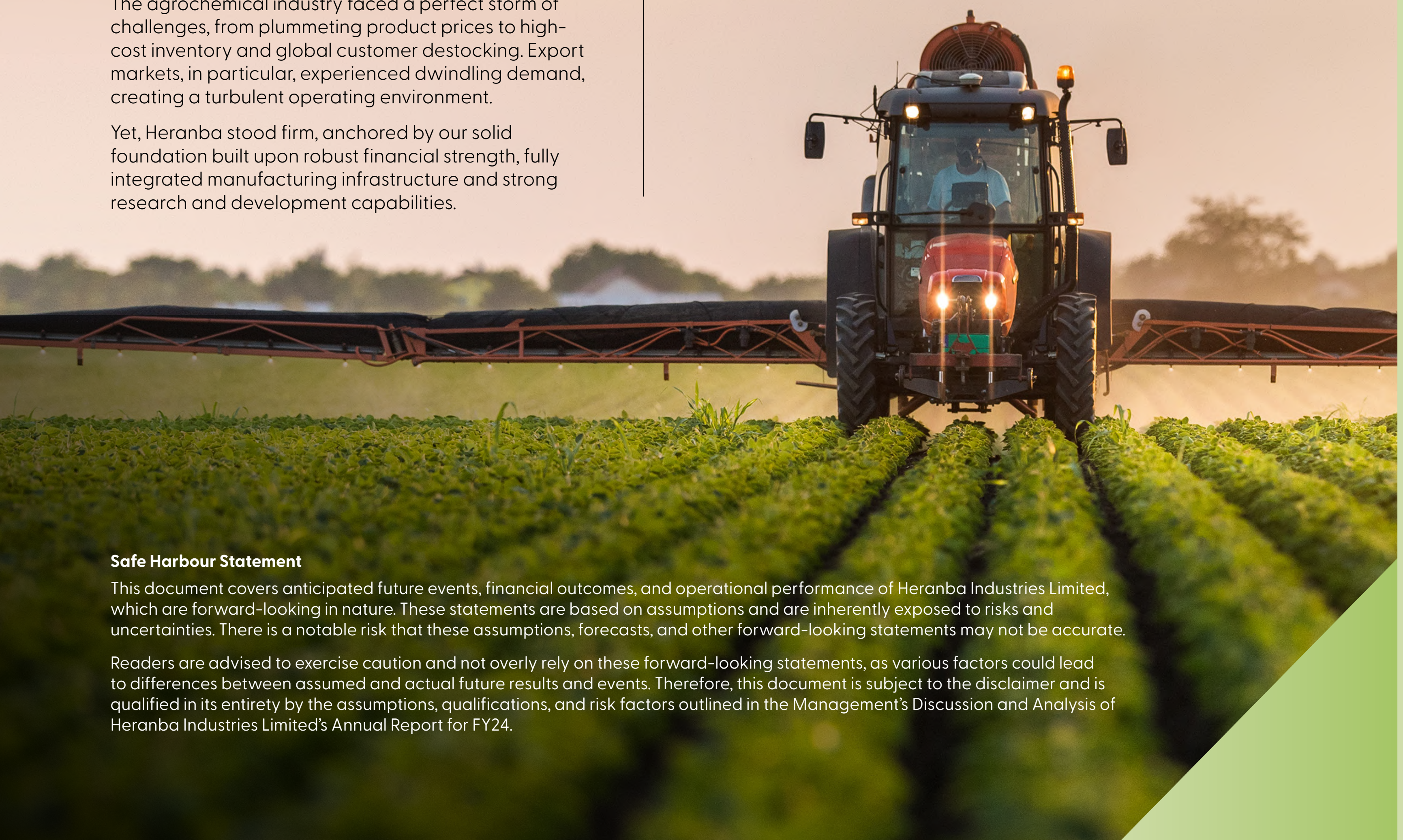
In the face of unprecedented challenges, Heranba Industries has not only weathered the storm but emerged stronger, ready to embrace a future filled with promise and potential. Our journey over the past two years exemplifies the power of perseverance and strategic foresight in transforming adversity into opportunity.

The agrochemical industry faced a perfect storm of challenges, from plummeting product prices to high-cost inventory and global customer destocking. Export markets, in particular, experienced dwindling demand, creating a turbulent operating environment.

Yet, Heranba stood firm, anchored by our solid foundation built upon robust financial strength, fully integrated manufacturing infrastructure and strong research and development capabilities.

This resilience allowed us to navigate the downturn without losing sight of our long-term objectives. Despite the headwinds, we remained steadfast in our commitment to progress and continued strategic capacity expansion projects at Sarigam, Saykha, and Vapi sites. We not only kept pace with, but increased our R&D investments and team strength, even in challenging times and maintained focus on new product commercializations.

Our determination to push forward, even when the industry was in retreat, has positioned us advantageously for the future. As we turn the page on this challenging chapter, we look to the future with renewed optimism. The worst appears to be behind us, and we anticipate a more favorable industry environment characterized by a relief on product realizations, gradually improving demand outlook and strategic capacity expansions coming to fruition.



Safe Harbour Statement

This document covers anticipated future events, financial outcomes, and operational performance of Heranba Industries Limited, which are forward-looking in nature. These statements are based on assumptions and are inherently exposed to risks and uncertainties. There is a notable risk that these assumptions, forecasts, and other forward-looking statements may not be accurate.

Readers are advised to exercise caution and not overly rely on these forward-looking statements, as various factors could lead to differences between assumed and actual future results and events. Therefore, this document is subject to the disclaimer and is qualified in its entirety by the assumptions, qualifications, and risk factors outlined in the Management's Discussion and Analysis of Heranba Industries Limited's Annual Report for FY24.

These factors, combined with our strengthened operational foundation, position Heranba to not just grow, but excel in the coming years.

Our journey from perseverance to progress is further exemplified by our strategic expansion into new business segments. The acquisition of Daikaffil Chemicals India opens doors to exciting opportunities in contract research, development, and manufacturing for various industries including agrochemicals, plant nutrition, pharmaceutical & biopharmaceutical products, and specialty chemicals.

As we reflect on our journey, we are proud of the resilience we've shown and excited about the progress we're poised to make. Heranba Industries stands today as a testament to the power of perseverance, strategic thinking, and unwavering commitment to long-term goals. We move forward with confidence, ready to seize the opportunities that lie ahead and create value for all our stakeholders.

Sadashiv K Shetty
Chairman and Executive Director

Learn more on page 24

"There now seems to be some light at the end of the tunnel. Quite a few of the industry challenges have subsided, inventory levels have normalised, fresh demand is picking up, and product prices seem to have bottomed out over the second half of FY24."

Raghuram K Shetty
Managing Director

Learn more on page 26

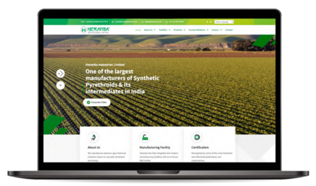
"One of the most significant developments of FY24 was our strategic acquisition of Daikaffil Chemicals India Limited. The primary objective of this acquisition was to secure a land parcel and strategic infrastructure to set up a world-class R&D centre in Tarapur, Maharashtra."

Table of contents

Strategic Review

Statutory Reports

Financial Statements



Learn more
www.heranba.co.in

About Us

Introduction to Heranba Industries

Started in 1992, Heranba Industries Limited (HIL) emerged with a noble objective to furnish farmers with ground-breaking agrochemical & crop protection products that amplify farm output, by leveraging the power of chemistry.

Heranba Industries in Numbers

4 + 2
Manufacturing facilities operational & under development

74+
Countries' presence globally

1,050+
Team strength across all functions

222+
Active international customers*

10,000+
Dealers across 20 states & UT

35%
Revenue derived from robust exports

1,018
Cumulative product registrations & 190 registration in pipeline

12,900 MTPA
Aggregate Technicals & Intermediates Capacity

25,000 MTPA
Aggregate Formulations Capacity

400+
Products commercialised till date

*Institutional Customers includes Technical Exports, Technical Domestic, Branded Formulation and Public Health Clients

Empowered by our visionary first-generation promoters, Heranba Industries embarked on its journey with a primary focus on manufacturing intermediates. Over time, our strategic foresight guided us to diversify and expand our operations, encompassing the production of agrochemical technicals and formulations.

This deliberate evolution has propelled us into a prominent integrated player within the agrochemical industry today, with a comprehensive presence across the entire agrochemical value chain. Harnessing the transformative power of chemistry, we are resolute in our commitment to empowering farmers and enhancing agricultural yields across the world.

Extensive Portfolio

One of India's foremost manufacturers of synthetic Pyrethroids and their intermediates, our portfolio encompasses a wide array of pesticides including insecticides, herbicides, fungicides, and public health products, designed for effective pest control, catering to both domestic and global markets.

Fully-Integrated Facilities

Nestled in the industrial belts of Vapi, Sarigam and Saykha in Gujarat, our fully integrated and modern manufacturing facilities epitomise excellence.

With upcoming expansions at Saykha and Sarigam, Heranba is poised to significantly expand its capacity to deliver world-class agrochemical solutions, bolstered by in-house R&D facilities dedicated to product commercialisation, process efficiencies, backward integration, and ensuring a seamless customer experience.

Pioneering R&D

We are consistent in our pursuit of cost-effective processes for manufacturing Active Ingredients and Intermediates across Herbicides, Insecticides, and Fungicides, as well as in innovating new formulations of Crop protection products.

With our state-of-the-art R&D centres and pilot plant, we are equipped to meet this commitment. Our dedicated team of qualified research personnel and scientists tirelessly strive for the continual enhancement of existing products and the creation of better solutions.

About Us

Expansive presence across value chain

Extensive product registrations & international presence

Robust domestic brand & product portfolio

Esteemed institutional clientele

First-generation technocrat promoters & professional team

Key Strengths

At Heranba Industries, our key strengths serve as the foundation of our resilience in the agrochemical industry. Through strategic positioning, we have cultivated these strengths that empower us to thrive and survive in a dynamic market environment.

1 Expansive presence across value chain

Our strategically located integrated manufacturing units enable us to manufacture intermediates, technicals, and formulations. This flexibility empowers us to cater to diverse market needs effectively.

2 Extensive product registrations and international presence

With registrations for 1,018 products in 53 countries worldwide, we have established a robust global market presence. Our collaborations with international distribution partners further facilitate effective reach to customers across the globe, ensuring widespread availability of our products.

3 Robust domestic brand & product portfolio

Serving farmers across the nation, our wide distribution network comprises over 10,000 dealers and distributors, supported by 24 strategically located stock depots across 20 states and union territories in India. This extensive infrastructure ensures efficient and widespread availability of our products, meeting the needs of our valued customers nationwide.

4 Esteemed institutional clientele

Heranba Industries serves a diverse clientele, including domestic and multinational agrochemical companies such as UPL, Rallis, Tagros, Gharda Chemicals, ADAMA, Dhanuka, PI Industries, Meghmani, Sumitomo, Sulphur Mills, Biostadt India, Crystal Crop Protection, and many more. This broad customer base accentuates our commitment to meeting industry needs while strengthening our global market presence.

5 First-generation technocrat promoters & professional team

With a blend of youth and experience, our management team, led by first-generation technocrat promoters with over three decades of industry experience, drives our growth and evolution. The seamless transition to the second generation ensures continuity and sustained success.

Our Brands and Products

Maximising Farm Productivity

At Heranba Industries, we, our brands, and our products, all work towards a single purpose of agricultural prosperity, dedicated to furnishing farmers with an extensive array of high-quality products and solutions that promise better crop yields and augmented incomes. As one of India's foremost agrochemical players, Heranba Industries stands at the forefront of innovation and excellence. Our dedicated pursuit of quality and efficacy has cemented our position as a trusted partner for farmers across the world.

Product Portfolio Highlights

1,018
Cumulative product registrations

190
Product registrations in pipeline

53 countries
Product registration across 53 countries

Key markets include **India**, **Middle East**, **CIS**, **Asia**, **North America**, **South East Asia and Africa**

Registrations of manufacturing & sales in India

68
Technicals

293
Formulations

Registrations of manufacturing & sales for export markets

204
Technicals

453
Formulations

Our Mission

Our mission is to improve crop productivity and public health. We are committed to the wellness of world citizens and are passionate about providing innovative products to farmers that enhance farm efficiency.

A Diverse Portfolio

We recognise that a multifaceted approach is essential for comprehensive crop protection and prosperity. Our intentions convert into the diversity and excellence of our portfolio, which spans intermediates, technicals, and formulations, including public health products. Our public health solutions transcend agricultural boundaries, catering to pest control companies and diverse governmental health departments.

Brand Launches in FY24

GINEE, LORANTA, DINOMITE, DEVELOPER, HERAGEN, TAGDA, TROLLER, DIBINA

Top Selling Brands

HAURIS, LORANTA, HERACLAIM, PROGRESS PLUS, ASTRON, GLORY

Intermediates

Cypermethric Acid Chloride (CMAC) | High CIS CMA | High CIS CMAC | High Trans CMA | High Trans CMAC | Bromobenzene | Metaphenoxy Benzaldehyde (MPBD) | Metaphenoxy Benzyl Alcohol (MPBAL) | NPBR

Technicals

Insecticides

Cypermethrin | Deltamethrin | Alpha Cypermethrin | Tolfenpyrad | Lambda Cyhalothrin | Permethrin | Profenophos | Dinotefuran | Temephos | Theta Cypermethrin | Diflubenzuron | Ethion | Methamidophos | Thiophanate-Methyl | Bifenthrin

Fungicides

Tricyclazole | Hexaconazole | Tebuconazole | Thifluzamide | Picoxystrobin | Dodine | Propiconazole

Herbicides

Bispyribac Sodium | Clodinafop | Tembotorine | Pendimethalin

Plant Growth Regulator

Mepiquat Chloride

Formulations

Emulsifiable Concentrate (EC) | Capsule Suspension (CS) | Suspension Concentrate (SC) | Oil Dispersion (OD) | Concentrated Aqueous Emulsions (EW) | Wettable Powder (WP) | Suspoemulsion (SE Formulations) | Water Dispersible Granule (WDG) | ZC Formulation | Soluble Liquid (SL) | Flowable Concentration (FS) | Soluble Powder (SP)

Business Verticals

Uniting Elements of the Value Chain

As an integrated player in the agrochemical sector, Heranba Industries seamlessly navigates various facets of the value chain, from the production of intermediates & active ingredients to the distribution of branded formulations. Our business verticals are meticulously crafted to optimise efficiency and deliver value across the field.

In each of our business verticals, our mission remains unchanged - to drive growth, foster innovation, and increase farm output.

Technicals (Domestic)

Our core emphasis is on producing and supplying technicals in large quantities to both domestic and multinational agrochemical firms. These firms utilise our top-notch technicals as primary ingredients in creating a variety of formulations. By furnishing them with superior quality technicals, we empower our esteemed partners to manufacture formulations that effectively cater to the diverse requirements of farmers and stakeholders in the agricultural sector.

	Sales (In ₹ crore)	Contribution (In %)
FY24	357	28
FY23	397	30
FY22	522	36
FY21	390	32
FY20	304	32

Technicals (Exports)

A pivotal aspect of our operations is the production of technicals tailored for the export market. We supply technicals to agrochemical companies globally, having secured requisite approvals and registrations for numerous products, ensuring adherence to export market regulatory standards. Moreover, we are actively pursuing registrations for additional technicals, augmenting our product portfolio and enabling us to adeptly address the evolving demands of the international market.

	Sales (In ₹ crore)	Contribution (In %)
FY24	280	22
FY23	371	28
FY22	464	32
FY21	475	39
FY20	342	36

Formulations (Branded)

Domestically, our branded insecticides, herbicides, and fungicides are efficiently promoted through our expansive pan-India distribution network. Within our robust distribution framework, we've established 24 depots across 20 states and union territories, strategically positioned to cater to our customers effectively. Additionally, our extensive network encompasses over 10,000+ dealers, ensuring widespread availability of our products at retail outlets. This enables farmers to conveniently access our diverse range of offerings, facilitating their agricultural needs seamlessly.

	Sales (In ₹ crore)	Contribution (In %)
FY24	471	37
FY23	397	30
FY22	334	23
FY21	256	21
FY20	181	19

Formulations (Exports)

Another operational domain for the Company involves manufacturing formulations exclusively tailored for the export market, catering to agrochemical companies worldwide. With a robust portfolio of product registrations in place, we are actively pursuing additional registrations for export markets. Concurrently, we are expanding our product portfolio to align with the evolving demands of our global clientele.

	Sales (In ₹ crore)	Contribution (In %)
FY24	166	13
FY23	159	12
FY22	145	10
FY21	110	9
FY20	124	13

R&D Capabilities

Innovative Chemistry in Action

Heranba Industries Limited's robust R&D capabilities form the backbone of its success in the agrochemical industry. By harnessing new technologies, continuously improving production processes, and developing innovative solutions, Heranba is well-positioned to meet the evolving needs of its customers and maintain its market leadership.

The Company's significant investment in R&D infrastructure, talent, and resources underscores its commitment to long-term sustainability and growth through innovation.

State-of-the-Art R&D Infrastructure

Heranba Industries Limited has established a robust R&D infrastructure that includes 3 state-of-the-art R&D centres. These facilities are equipped with cutting-edge technology such as High-performance Liquid Chromatography (HPLC), Gas Chromatographs (GC), UV spectrophotometers, moisture analyzers, particle size analyzers, and electron microscopes. This advanced equipment enables comprehensive research and development activities, ensuring the highest standards of quality and precision in testing.

3
Dedicated state-of-art R&D centres

₹ 4.25 crore
R&D spends in FY24

37
R&D team strength consisting of scientist, engineers, analysts and chemists

Recognition and Accreditation

Heranba's R&D facilities have received significant recognition and accreditation, underscoring the Company's commitment to excellence. The Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India, has recognized these R&D establishments. Additionally, the facilities hold ISO-9001: 2015 QMS and ISO-14001:2017 certifications, and the analytical laboratory is accredited by NABL under ISO/IEC-17025:2017.

ISO 9001:2015

ISO 14001:2017

Focus Areas and Objectives

The R&D team at Heranba focuses on several key areas to drive innovation and growth. These include improving production processes for active ingredients and intermediates in herbicides, insecticides, and fungicides, developing new and innovative formulation products for crop protection, enhancing the performance and quality of existing products, and commercialising new agrochemical active ingredients and formulated finished products.

Key focus areas:

1. **New product development**
2. **Improving process efficiencies**
3. **Backward integration**
4. **Enhancing existing product quality**
5. **Enhanced engineering capabilities for consistent, sustainable and safer operations**

FY24 Initiatives and Achievements

Heranba's R&D initiatives in FY24 have yielded significant results, demonstrating the Company's ability to adapt and innovate in response to market needs. The R&D team developed 3 herbicides and launched 2 of those, additionally 2 fungicides were launched, and 2 insecticides were developed, showcasing Heranba's commitment to meeting the evolving needs of its customers. The Company has also expanded its R&D capabilities by increasing resources for existing R&D facilities, employing exceptional talent, and allocating additional funds for a new R&D centre.

Quality Control and Assurance

Maintaining rigorous quality control measures is a cornerstone of Heranba's R&D efforts. Independent, fully-functional quality control laboratories at all 3 units continuously monitor the quality and consistency of raw materials, in-process materials, and finished goods. Comprehensive testing methods, including classical methods and chemical analysis, ensure that products meet stringent quality requirements. The Company's labs also focus on identifying and quantifying impurities to meet the specific demands of export markets.

Future-Oriented Research

Heranba's R&D efforts are geared towards future market needs, with ongoing tests on fungicide products for rice, fruits, and vegetables, and research on herbicides and insecticides effective for crops such as soybean, maize, rice, cotton, groundnut, and sugarcane. The Company's highly qualified team of experts and scientists work synergistically to enhance existing products and pioneer new ones, ensuring consistent growth in the scale of operations.

Manufacturing Infrastructure

Robust Manufacturing Prowess

Heranba Industries has developed a comprehensive manufacturing infrastructure designed to cater to the varied requirements of customers both domestically and internationally. Our state-of-the-art facilities, staffed by highly trained professionals, utilize the latest technology to produce high-quality products that meet stringent standards. Our manufacturing capabilities span 4 specialized units, each proficient in handling a wide range of chemical processes and reactions.

Diverse Capabilities

Our manufacturing prowess spans across 4 distinct units with another 2 under commissioning, strategically located in Vapi, Sarigam, and Saykha in Gujarat. These units are adept at handling a wide array of chemistries, multitude of reactions, intricate processes and large volumes.

Over the years, we have significantly scaled up the production of Intermediates, Technicals, and Formulations, solidifying our position across the entire value chain of the agrochemicals industry. Notably, we are expanding our manufacturing capacity at the Sarigam unit, with further capital expenditure underway for the establishment of a new fifth unit at Saykha. The CAPEX at both locations is shaping up well.

Prime Industrial Belt Presence

Situated in the industrial belts of Vapi and Sarigam in Gujarat, our fully integrated and modern manufacturing facilities are strategically positioned to facilitate seamless operations. Additionally, the upcoming site at Saykha further enhances our manufacturing capabilities and expands our footprint in the industry.

Refined Reaction Expertise

At HIL, we produce a diverse array of products, each necessitating its own distinct manufacturing procedure. We demonstrate remarkable chemical proficiency, adept at executing a broad spectrum of intricate chemical reactions utilising our cutting-edge facilities. Our expertise lies in executing specialised manufacturing processes, primarily involving the following chemical reactions.

Reaction capabilities:

Ammonolysis | Hydrolysis | Favorski | Cyanation | Methoxylation | Halogenation | Esterification | Condensation | Friedel Crafts | Cyclisation | Isomerisation

Manufacturing Prowess

4 + 2
Manufacturing facilities operational & under development

12,900 MTPA
Aggregate Technicals & Intermediates Capacity

25,000 MTPA
Aggregate Formulations Capacity

295
Reactors installed across 4 facilities

42,502 SQ. MT.
Total area in use

74,668 SQ. MT.
Total area under development

71,958 SQ. MT.
Additional area available for expansion

Manufacturing Infrastructure

Heranba's Manufacturing Facilities

UNIT- I GIDC, Vapi

- Heranba's first facility to manufacture various technical grade Synthetic Pyrethroids and Organophosphorus products and their intermediates
- Large scale manufacturing unit for insecticides, herbicides, fungicides & their intermediates
- ISO 14001:2015 certified unit with a large-scale production house
- Projects are underway for capacity expansion of manufacturing facilities on site, expected to be commissioned in H1FY25
- Environmental pollution controls facilities are underway in Unit 1.

UNIT- II GIDC, Vapi

- Manufacturing Cypermethric Acid Chloride (CMAC) and all other Isomers/derivatives of CMAC as per internal & customer requirements
- Manufactures Cypermethrin, Alpha Cypermethrin and Permethrin technicals
- Earlier the Company had acquired an industrial plot adjacent to the existing site to enhance its production capacities and upgrade Unit II's environmental pollution control facilities.
- The capacity expansion project for Unit-II's pollution control facilities is expected to be completed in H1FY25

UNIT- III GIDC, Sarigam

- ISO 9001: 2015 certified facility equipped with modern formulation and packing facilities capable of handling large capacities of liquid, powders and granules
- It specialises in various formulations such as EC, SC, SL, SE, EW, CS, ZC, FS, SP, WP, WS, and WDG
- Additionally, involved in the manufacturing of herbicides, fungicides and insecticide for plant and public health segments
- Recently, also installed setup of spray drying facilities for WDG formulations for various formulations of sulphur such as WDG and specific combination formulations of sulphur such as Sulphur/Imidacloprid 70 WG/COC WG, Sulphur/ Tebuconazole, and other such spray-dried granulated products
- Equipped with a rooftop solar plant that generates 185.0 KW per annum energy, utilised for captive consumption
- Phase 1 of the new technical plant at Sarigam will be commissioned by H1FY25. Capacity of Phase 1 expansion will be 9,600 MTPA of Intermediates and Technical Products
- Phase 2 of the new technical plant will be commissioned by H2FY25. Capacity of Phase 2 will be 4,500 MTPA of Advanced Agrochemical Technicals

UNIT- IV GIDC, Vapi

- Unit-IV is the Company's facility to manufacture Liquid Bromine, Phenol, Ammonium Chloride Powder, Poly Ammonium Chloride and Powder, Copper Hydroxide, Bromobenzene, Pure Benzene
- The commercial production from this Unit-IV commenced in FY22. This facility is in line with the Company's commitment and promises towards fostering sustainable growth
- This site has a large volume production facility to produce the highest purity products from by-products and Intermediates, which have agrochemical applications
- This facility enables the Company to become self-dependent, mainly for Bromine recovery, without relying on external job workers

Saykha Unit

- The Company possesses a decent land parcel at Saykha for expansion of its current operations
- Phase 1 of the new technical plant at Saykha will be commissioned by H1FY25. Capacity of Phase 1 will be 5,500 MTPA.
- In addition to the above, the Company has also acquired an additional industrial plot at Saykha Industrial Estate for further expansion of its manufacturing units.

Daikaffil Acquisition

Entry into Contract Research & Manufacturing Business

Overview

Heranba Industries has made a strategic move to diversify its business portfolio by entering the Contract Research and Manufacturing Services (CRAMS) sector. This expansion is centred around the Company's recent acquisition of Daikaffil Chemicals India Limited, which provides Heranba with a valuable land parcel and strategic infrastructure in Tarapur, Maharashtra, an industrial town north of Mumbai to establish a world-class Research and Development (R&D) centre that will not only enhance Heranba's internal R&D capabilities for its existing agrochemical business but also serve as the foundation for its new CRAMS/CRO/CDMO (Contract Research Organization/Contract Development and Manufacturing Organization) business vertical.

Key Objectives and Strategy

Leveraging its expertise in handling complex and challenging chemistries from R&D to commercialization, Heranba plans to offer flexible contract research, development, and manufacturing services across various sectors, including agrochemicals, plant nutrition, pharmaceuticals, biopharmaceuticals, and specialty chemicals.

The Company has ambitious plans to augment its existing R&D team by employing 60 additional scientists in the first phase of this project. These scientists will focus on key areas such as:

1. **Synthetic chemistry**
2. **Analytical research**
3. **Formulation development**
4. **Pilot plant services**

The new R&D centre will feature state-of-the-art facilities, including five synthetic labs equipped with ultra-modern fume hoods, dedicated analytical equipment, and a development team to ensure product quality throughout the research and production process.

R&D Capabilities

To facilitate this expansion, Heranba has allocated a budget of ₹ 50 crore for the first phase, which will be used to revamp the existing capabilities and develop the R&D centre in Tarapur, Maharashtra.

A significant part of this investment will go towards establishing a world-class pilot plant facility with 15 reactors, enabling small-scale batch manufacturing and process validation. This setup will allow Heranba to provide comprehensive services to its clients, from initial research and development to small-scale production.

Long-Term Vision

The long-term vision for this new business vertical is to not only provide research and development services but also to supply large quantities of specialized chemicals to various industries in the future. Heranba anticipates that this strategic move into the CRAMS sector will significantly increase its capabilities and prove to be a good business vertical in the future. By leveraging its existing strengths in complex chemistry and expanding into new, high-value areas, Heranba Industries Limited is positioning itself for substantial growth and diversification in the coming years.

Investment and Phased Development

Phase 1

Budget:
₹ 50 crore

Purpose:
Revamp existing capabilities and develop the R&D centre

Purpose:
Pilot plant facility with 15 reactors for small-scale batch manufacturing and process validation

Phase 2 **(Planned for FY26):**

Establishment of Specialized Divisions:

Custom and Specialty Chemical Division

Performance Chemical Division

Fermentation Technology and Bio-catalysis platform

Exploration of GLP Facility Setup:
Further expansion of capabilities

Geographical Presence

Empower Farmers, Globally

Heranba Industries has worked extensively to establish an expansive geographical presence, serving customers both domestically and internationally. Our strategic expansion initiatives have propelled our products across the globe, marking significant milestones in our journey.

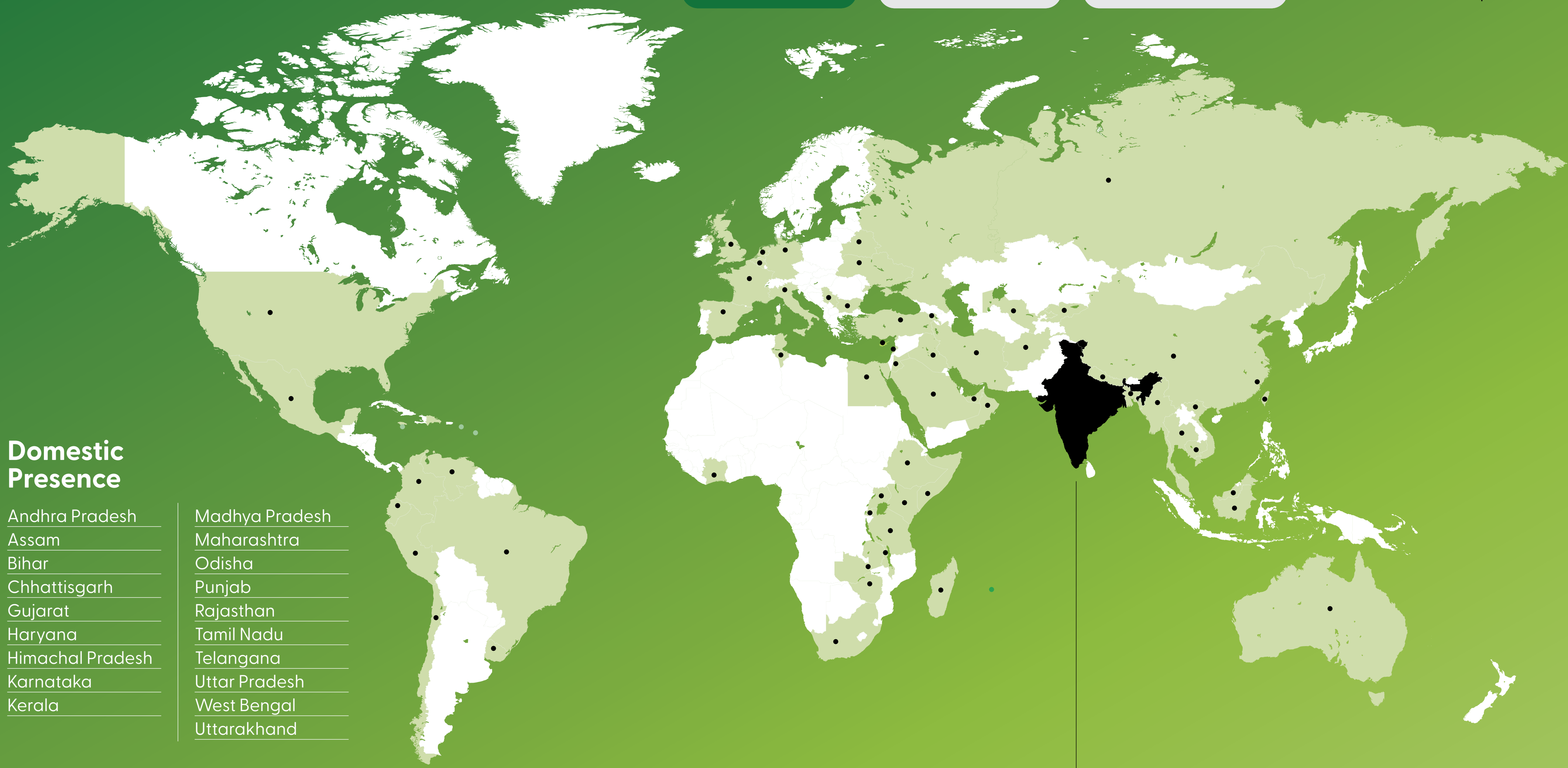
Our promise to empower farmers transcends borders, leading us on a journey to expand our geographical presence worldwide. This journey is not merely about reaching new markets but about extending our support and innovative solutions to farmers across the globe.

Key Market Entries

- We have successfully penetrated key markets such as the USA and Europe, establishing valuable associations and strengthening our global footprint
- These strategic entries have positioned Heranba to capitalise on growth opportunities and enhance our potential for success in the international arena

Presence across
20 states & UT

Presence across
74 countries



Domestic Presence

- Andhra Pradesh
- Assam
- Bihar
- Chhattisgarh
- Gujarat
- Haryana
- Himachal Pradesh
- Karnataka
- Kerala
- Madhya Pradesh
- Maharashtra
- Odisha
- Punjab
- Rajasthan
- Tamil Nadu
- Telangana
- Uttar Pradesh
- West Bengal
- Uttarakhand

Union Territories

- Jammu and Kashmir

Global Presence

ASIA

Afghanistan, Armenia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, Iran, Iraq, Jordan, Korea, Kuwait, Kyrgyzstan, Lebanon, Malaysia, Myanmar, Nepal, Oman, Saudi Arabia, Singapore, Taiwan, Thailand, U.A.E, Uzbekistan, Vietnam

EUROPE

Belgium, Bulgaria, Cyprus, France, Germany, Italy, Liechtenstein, Netherland, Republic of Belarus, Russia, Serbia, Spain, Turkey, Ukraine, United Kingdom

AFRICA

Algeria, Egypt, Ethiopia, Ghana, Ivory Coast, Kenya, Madagascar, Malawi, Nigeria, Rwanda, Somalia, South Africa, Swaziland, Tanzania, Tunisia, Zimbabwe, Mauritius, Uganda, Zambia

AUSTRALIA

Australia

NORTH AMERICA

Canada, Dominican Republic, Jamaica, Mexico, Nevis, U.S.A.

SOUTH AMERICA

Argentina, Brazil, Chile, Colombia, Ecuador, Peru, Uruguay, Venezuela

Map only for illustration purpose, not to scale

Value-Creation Model

Harvesting growth. Enriching lives.

Inputs

Financial Capital

₹877.52 crore
Total Equity

₹249.26 crore
CAPEX

Robust Capital Structure

Technological & Infrastructure Capital

4
Operational Manufacturing Facilities

2
Upcoming Manufacturing Facilities

3
R&D Centres

Human Capital

1,050+
Employee Strength

37
R&D Team Strength

Community and Environmental Capital

Dedicated commitment and investment towards sustainability initiatives

Active engagement in CSR, with effective solutions implemented

A rooftop solar plant

Value Creation

Strengths

- Comprehensive product range covering the entire synthetic pyrethroids value chain
- Extensive product registrations both in India and globally, facilitating global market penetration
- Robust product portfolio complemented by a well-established distribution network
- Diverse and reliable customer base contributing to stability
- Leadership by experienced technocrat promoters and a proficient management team

Learn more on 04 Pg.

Strategic Priorities

- Improving and optimising production capacities and operational efficiencies
- Commercialising new molecules
- Establishing a foothold in the US and European markets
- Extending the reach of formulations and technicals globally
- Enhancing and expanding the branded formulations and public health products segment

Learn more on 22 Pg.

Mission

To improve crop productivity and public health. We are committed to the wellness of world citizens and are passionate about providing innovative products to farmers that enhance farm efficiency.

Outputs

Business Verticals

- Technicals (Domestic)
- Technicals (Exports)
- Formulations (Branded)
- Formulations (Exports)
- Public Health

Products

- Intermediates
- Technicals
- Formulations

Learn more on 06 Pg.

Outcomes

Robust Financial Health

₹ 1,274.75 crore
Revenue

₹ 126.99 crore
EBITDA

₹ 66.35 crore
PAT

₹ 16.58 crore
EPS

Superior Manufacturing Capabilities

Total Technicals & Intermediate Manufacturing Capacity of
12,900 MTPA

Total Formulations Manufacturing Capacity of
25,000 MTPA

1,018
Cumulative Product Registrations

190
Product Registration in Pipeline

Product Registrations Across
53 Countries

Committed Workforce

Skilled, motivated, and experienced workforce committed to excellence and innovation

Community Development and Environmental Stewardship

Generated 178,000 kWh Solar Power for Captive Consumption in FY24

Reduced Carbon Footprint

Minimised Environmental Impact

Strategic Priorities

Roadmap to Long-Term Vision

Our visionary strategy and proactive approach have played a pivotal role in our expansion. As we venture into new territories, particularly focussing on developed markets, we are wedded to our long-term strategic goals. These strategic priorities serve as a roadmap for growth, ensuring continuous progress and positioning Heranba for elevated success.

By adhering to these priorities, we not only strengthen our existing business model but also effectively navigate through industry challenges, including those prevalent in the current landscape. With a dedicated focus on these strategic initiatives, we aim not only to maintain our trajectory but also to ascend to greater heights of achievement.

Enhancing Operational Production Capacity

- Phase-I expansion of the Sarigam technicals & intermediates facility, slated for commissioning by H1FY25, is expected to significantly enhance our production capacities and operational efficiencies
- Plans for Phase-II expansion at Sarigam are expected to be commissioned by H2FY25
- Additionally, the Company is also commissioning Phase-I of its new technicals plant at Saykha in H1FY25. In addition to the above, the Company has also acquired an additional industrial plot at Saykha Industrial Estate for further expansion of its manufacturing units

Fortifying Market Presence

- Actively engaging in international and domestic agrochemical exhibitions and industry trade shows to bolster institutional presence, whether for technicals or formulations
- Conducting farmer training camps, village-level programmes, and participating in exhibitions across India to educate farmers about product benefits and establish direct connections with farming communities, as part of continuous brand building and demand generation initiatives
- Leveraging sales and marketing teams to maintain and reinforce existing customer relationships, while also exploring avenues to establish new connections with potential customers
- Continuously promoting branded formulations through various events and initiatives to ensure closer access to farmers

Seizing International Opportunities

- Utilising the forthcoming capacity at the Sarigam unit, we strategically aim to broaden our Technicals business vertical in both domestic and export markets
- Emphasising the acquisition of product registrations for both technicals and formulations to fortify the business in international markets
- Capitalising on forthcoming opportunities as numerous technicals are set to go off-patent in the coming years. We intend to globally commercialise these molecules, with a specific focus on registering them in regulated markets

Penetrating Developed Markets

- Our strides to penetrate developed markets, notably the US and Europe, are gaining momentum and we have intensified our efforts in this arena
- The forthcoming commissioning of the Sarigam facility marks a significant stride towards bolstering our presence in these lucrative markets. Concurrently, our dedicated R&D team is diligently focussing on tailoring specific molecules for the US, Europe, and Brazil markets
- Moreover, we have devised a comprehensive plan aimed at achieving $25 million in sales in the US within the next few years. This strategic endeavour highlights our potential to establishing a robust foothold in the US market

Commercialising New Molecules

- With an active pipeline of various molecules currently under development by our dedicated R&D team, we are poised for consistent innovation. Depending on the receipt of necessary product registrations and the success of our research and development endeavours, Heranba intends to introduce several new molecules every year
- Our foremost priority moving forward is consolidating our position in this segment. Moreover, the transition towards Pyrethroids, known for their environmental friendliness compared to Organophosphorus, positions us to potentially lead the insecticide segment in the crop protection market

Chairman's Address

Emerging Stronger

"There now seems to be some light at the end of the tunnel. Quite a few of the industry challenges have subsided, inventory levels have normalised, fresh demand is picking up, and product prices seem to have bottomed out over the second half of FY24."

Dear Shareholders,

I write to you with an update on our Company's performance for FY24. It has been a year of significant challenges and strategic advancements for Heranba Industries, and I am pleased to share our progress and outlook with you.

Industry Context

The last two years have been tumultuous for the entire agrochemical industry, as alluded to in my earlier address to you all. A range of factors, including falling product prices across the board, high-cost inventory, incessant customer destocking globally, and tepid demand in many geographies, especially in export markets, have impacted the industry performance over the last two years.

However, there now seems to be some light at the end of the tunnel. Quite a few of these challenges have subsided, stock levels have normalised, fresh demand is picking up, and product prices seem to have bottomed out over the second half of FY24. There are still some challenges with respect to excessive pricing competition from the Chinese industry, but we are hopeful of a better macro environment for the coming years. It is important to note that we navigated this challenging period with grit and fortitude. We have not only maintained our position but have also advanced with our strategic initiatives, whether it be building capacities or our continued thrust towards R&D initiatives.

Strategic Initiatives

One of the key developments of FY24 was our strategic acquisition of Daikaffil Chemicals India Limited. The objective of this acquisition was to acquire a land parcel and strategic infrastructure to set up a world-class R&D centre in Tarapur, Maharashtra. This R&D centre will not only strengthen our internal R&D capabilities by attracting good talent but also form the foundation of Heranba's business in the CRAMS (Contract Research and Manufacturing Services), CRO (Contract Research Organization), and CDMO (Contract Development and Manufacturing Organization) verticals.

The Company has budgeted ₹ 50 crore in the first phase to revamp the existing setup and develop the R&D centre to facilitate entry into this domain. The R&D centre will also be equipped with a world-class pilot plant facility to begin small-scale batch manufacturing and process validation. In the second phase, Heranba will explore setting up a GLP (Good Laboratory Practice) facility and expansion of manufacturing capabilities.

Augmenting Capacities

Apart from continuous R&D, we are on the cusp of significantly augmenting our manufacturing capacities, with the near completion stage of the Saykha and Sarigam projects. This will significantly bolster our Technicals and Intermediates production capacity. Phase 1 of the new technical plant at Saykha will be commissioned by the first half of FY25, with a capacity of ~5,500 MTPA. At the same time, Phase 1 of the new technical plant at Sarigam will be commissioned by the first half of FY25, with a capacity of ~9,600 MTPA of Intermediates and Technical Products. There is also a provision for Phase 2 expansion in Sarigam and additional land parcel in Saykha. We are hopeful of commencing production from these facilities in the first half of the current financial year, and it will augment our business from the Technicals division significantly in the years to come.

FY24 Performance Highlights

FY24 financial performance has been subdued because of the industry environment, and we are hopeful of better results in the future. One of the factors that have contributed to our resilience in the current cycle is our robust capital structure. This capital structure has been one of the core reasons that we have been able to build capacities even when the industry was struggling. This financial strength gives us the confidence to continue pursuing our long-term objectives, regardless of short-term headwinds.

₹ 1,274.75 crore
Revenue

₹ 126.99 crore
EBITDA

Focus on Long-Term Objectives

Moving forward, we remain unwavering in our focus on our long-term priorities. Despite the short-term headwinds, our commitment to product development and research and development initiatives remains steadfast. We are continuously investing in research and development initiatives to ensure that we have a robust pipeline of products that meet the evolving needs of our customers. We have augmented the team strength in our R&D team this year, as well as the R&D budget.

We are also hopeful of better results in our developed markets business for the coming years. Our strategic plan includes a comprehensive initiative aimed at achieving decent sales in the US market within the next few years. This underscores our commitment to establishing a strong foothold in the US and other developed markets. Our efforts to expand our reach and diversify our customer base are in full force. By entering these new markets, we aim to create additional avenues for growth and create long-term value for our shareholders.

Closing Thoughts

We understand that you, as our valued shareholders, have placed your trust in us, and we are committed to delivering sustainable growth and value. We are focused on optimizing our resources, enhancing our operational efficiencies, and expanding our market presence. Our aim is to create long-term value for our shareholders and ensure that we are well-positioned to capture growth opportunities.

Thank you for your unwavering commitment to our Company.

Sincerely,

Sadashiv K Shetty
Chairman and Executive Director

MD's Message

Navigating Challenges, Seizing Opportunities

"One of the most significant developments of FY24 was our strategic acquisition of Daikaffil Chemicals India Limited. The primary objective of this acquisition was to secure a land parcel and strategic infrastructure to set up a worldclass R&D centre in Tarapur, Maharashtra."

Dear Shareholders,

As we reflect on FY24, it is essential to acknowledge the multifaceted challenges that have influenced our performance. Despite these hurdles, Heranba Industries has demonstrated resilience and strategic foresight, ensuring that we remain well-positioned for future growth.

FY24 Highlights

The past year has been marked by subdued realisations across our product portfolio, a trend that has affected both Heranba and the broader industry. This has directly impacted our revenues over the last two years. Additionally, falling realisations and higher cost inventories have contributed to lower profitability margins. A significant headwind has been the higher inventory build-up in global supply chains, contributing to sluggish export demand. Now there seems to be some relief on both fronts, product prices as well as demand, in India and from export markets.

One of the pivotal elements contributing to our resilience during this downcycle has been our robust capital structure. This financial strength has enabled us to invest and build capacities even when the industry faced considerable challenges. Our solid capital base gives us the confidence to continue pursuing our long-term objectives, regardless of short-term headwinds.

Amidst the challenges on the export front, it is important to acknowledge the silver linings. Despite the testing circumstances, our formulation vertical experienced decent traction in both domestic and export markets. The domestic branded formulations vertical, in particular, underscores the resilience of our business model, which is built on diversification across multiple revenue verticals.

Daikaffil Acquisition

One of the most significant developments of FY24 was our strategic acquisition of Daikaffil Chemicals India Limited. The primary objective of this acquisition was to secure a land parcel and strategic infrastructure to set up a world-class R&D centre in Tarapur, Maharashtra, an industrial town north of Mumbai. This R&D centre will not only strengthen our internal R&D capabilities for the agrochemical business by attracting top talent in the region but also lay the foundation for a new business vertical that Heranba Industries is planning to venture into: CRAMS/CRO/CDMO.

Given Heranba's strength in handling challenging and complex chemistries from R&D to commercialization, our initial focus will be on flexible contract research, development, and manufacturing (CRAMS/CRO/CDMO) in the areas of agrochemicals, plant nutrition, pharmaceuticals, biopharmaceuticals, and specialty chemicals. We plan to augment our existing R&D team and employ 60 scientists in the first phase of this project to provide services such as synthetic chemistry, analytical research, formulation development, and pilot plant services. Our scientists will operate in modern laboratories, supported by well-defined processes to solve multi-step complex synthetic challenges.

The Company has budgeted ₹50 crore in the first phase to revamp the existing setup and develop the R&D centre, facilitating our entry into this domain. The R&D centre will also be equipped with a world-class pilot plant facility with 15 reactors to begin small-scale batch manufacturing and process validation. In the second phase, Heranba will explore setting up a GLP facility and expanding manufacturing capabilities.

Business Development Efforts

Furthermore, we are actively pursuing opportunities to tap into new markets, particularly in developed regions such as the US and Europe. While progress on this strategic front has been slow over the past year, we are hopeful for a more conducive environment moving forward. By entering these new markets, we aim to create additional avenues for growth and generate long-term value for our shareholders.

Depending on the receipt of necessary product registrations and the success of our research and development efforts, we plan to commercialise a few new molecules in the current year. Through continuous R&D, our team has developed 3 herbicides and launched 3 of them. We have also developed and launched 2 fungicides while developing 2 insecticides, piloting one, and launching the same for different geographies.

Concluding Thoughts

Looking ahead, our primary focus will be on strengthening our position in the pyrethroids segment, particularly as the market shifts towards pyrethroids, which are more environmentally friendly than organophosphorus compounds. This transition presents us with an opportunity to become the dominant player in the crop protection market.

Additionally, we are looking to commercialise more molecules while our upcoming manufacturing capacities position us well for future scale-up. In closing, I would like to express our gratitude to all our stakeholders for their unwavering commitment in the face of uncertainties. We deeply appreciate your trust and support. Together, we will forge a brighter and more inclusive future, creating value for all our shareholders.

With Regards,

Raghuram K Shetty
Managing Director

Key Performance Indicators

Endurance and Resilient Performance

Heranba's journey epitomises Perseverance to Progress, as evidenced by its resilient financial performance in the face of adversity. Despite encountering headwinds over the past two years, the Company has steadfastly pushed forward, refusing to be deterred by temporary setbacks. This resilience is a testament to Heranba's robust business model, which has not only weathered storms but has also consistently charted a course of growth when viewed through a long-term lens.

Revenue from Operation
(In ₹ crore)

FY24	1,274.75
FY23	1,324.28
FY22	1,450.37
FY21	1,218.65
FY20	951.37

PAT
(In ₹ crore)

FY24	66.35
FY23	110.11
FY22	189.06
FY21	154.23
FY20	97.66

EBITDA
(In ₹ crore)

FY24	126.99
FY23	174.64
FY22	279.11
FY21	228.37
FY20	145.88

PAT Margin
(In %)

FY24	5.2
FY23	8.3
FY22	13.0
FY21	12.7
FY20	10.3

EBITDA Margin
(In %)

FY24	10.0
FY23	13.1
FY22	19.0
FY21	18.6
FY20	15.1

Net Worth
(In ₹ crore)

FY24	877.52
FY23	816.11
FY22	714.46
FY21	528.13
FY20	320.85

ROE
(In %)

FY24	7.8
FY23	14.4
FY22	26.5
FY21	29.2
FY20	30.4

Net Debt to Equity
(In X)

FY24	0.16
FY23	0.11
FY22	0.07
FY21	0.10
FY20	0.13

Capital Employed
(In ₹ crore)

FY24	892.04
FY23	828.56
FY22	730.04
FY21	538.19
FY20	329.48

Working Capital Cycle
(In days)

FY24	155
FY23	131
FY22	109
FY21	95
FY20	83

ROCE
(In %)

FY24	10.0
FY23	16.8
FY22	35.5
FY21	39.7
FY20	41.8

Board of Directors

Championing Governance

Sadashiv K. Shetty
Chairman & Executive Director

C R O

Since inception, he has been an indispensable figure, bringing over three decades of invaluable experience in the agrochemicals sector. Armed with a Bachelor's degree in Physics and Chemistry, along with a Master's degree in Chemistry from the University of Mysore, he has a robust educational foundation.

Serving as a driving force behind the development of new products, Mr. Shetty has been instrumental in enhancing the Company's capacities and capabilities. His extensive expertise spans various domains including business leadership, operations, risk management, governance, strategic planning, and general management, functional and managerial experience, coupled with profound insights into the chemical industry, manufacturing, and research and development.

Raghuram K. Shetty
Managing Director

S R O

Since 1994, he has been an invaluable asset to the Company, assuming comprehensive responsibility for overall management and daily operations, while also crafting future business strategies. Serving as the driving force behind multifaceted aspects such as business development, operations, risk management, governance, finance, accounting, strategic planning, procurement, sales and marketing, international trade, export business management, and more, he plays a pivotal role in steering the Company's trajectory.

With over three decades of experience in the agrochemicals industry, Mr. Shetty brings a wealth of knowledge and expertise to his role. He holds a Bachelor's degree in Economics from the University of Mysore, along with a Government Commercial Diploma from the Department of Education, Bureau of Government Examinations, Maharashtra. Additionally, he has successfully completed a Diploma in Export and Import Management from the India International Trade Centre in Mumbai.

Raunak R. Shetty
Whole-Time Director

R O

Having joined the Company in 2016, he oversees several pivotal functions, including Finance & Banking, Standardisation of Systems and Processes, Procurement, Marketing, Investor Relations, Business Development, and new Project and Product Development.

Additionally, he is instrumental in exploring new technologies and fostering innovation within the organisation. Mr. Shetty holds a Bachelor of Commerce degree from the University of Mumbai, and is an associate member of the Institute of Chartered Accountants of India. Leveraging his expertise in these domains, he significantly contributes to the Company's growth trajectory.

Shriraj S. Shetty
Whole-Time Director

O

He has been an esteemed member of the Company since 2014, overseeing a spectrum of critical functions including Business Operations, Risk Management & Governance, Technical Process Improvement, Process Implementation, Technical Innovation Expertise, Team Management, Production Improvements, Product Quality and Safety, Procurement, Sales & Marketing.

He possesses extensive experience in both functional and managerial roles. Holding a Bachelor's degree in Chemical Engineering, and an M. Tech. degree in Chemical Engineering, his robust educational background and expertise in these domains contribute significantly to the Company's operations, fostering efficiency, innovation, and excellence.

Ganesh N. Vanmali
Independent Director

A N S C R

A Certified Associate of the Indian Institute of Bankers from the Indian Institute of Banking and Finance, he brings with him a wealth of experience in the banking industry, spanning over four decades. His previous tenure at the Bank of Maharashtra further enriched his expertise in the field.

Holding a Bachelor's degree in Commerce and General Laws from the University of Mumbai, Mr. Vanmali serves as a consultant in addition to his banking career, leveraging his extensive knowledge and insights to offer valuable guidance in the banking industry.

Anilkumar M. Marlecha
Independent Director

N S

He is a distinguished advocate with an active practice, holding a Certificate of Practice issued by the Bar Council of India. With over ten years of experience in the legal profession, he has established himself as a reputable legal practitioner.

Mr. Marlecha holds a strong educational background, having earned a Bachelor's degree in Commerce and Law from the University of Mumbai. His expertise and dedication to his profession make him a valuable asset, offering invaluable guidance to the Company.

Reshma D. Wadkar
Independent Director

A

Bringing over two decades of experience in finance, accounting, taxation, and banking, she offers a wealth of expertise in her role. Armed with a Bachelor of Commerce degree from the University of Mumbai, she possesses a solid foundation in the field.

Her extensive experience and deep understanding of financial matters render her a valuable member of the Board, capable of providing sound financial guidance and expertise across various domains.

Mulky V. Shetty
Independent Director

A N C

A seasoned consultant in the chemicals industry, he brings over two decades of experience spanning various domains within the sector. His expertise encompasses product development, plant setup, and manufacturing operations.

Holding a bachelor's degree in Science, specialising in Physics and Chemistry from the University of Mysore, Mr. Shetty provides invaluable insights and guidance to the Company, drawing from his profound knowledge and extensive background in the field.

Keys:

Chairman | Member

Audit (A) | Nomination and Remuneration (N) | Stakeholders' Relationship (S) | Corporate Social Responsibility (C) | Risk Management (R) | Open Offer Committee (O)

Corporate Governance Framework

Dedicated to Prosperity. Driven by Principles.

At Heranba, we believe in a strong code of ethics and conduct, maintaining non-negotiable standards of integrity, transparency, and accountability. We are deeply committed to conducting and extending our operations in a sustainable and socially responsible manner, aiming to create long-term value for all stakeholders. Driven by persistent principles of business integrity and ethics, Heranba remains dedicated to effecting a lasting, positive impact within the industry and beyond.

Governance Framework

Our corporate governance framework is helmed by the Board of Directors, who set the strategic direction, oversee management, and represent the interests of stakeholders. Six Board Committees are formed to address specific areas of governance. They operate under the authority of the Board and report back to the full Board on their activities and recommendations.

These Board Committees are:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Open Offer Committee

Board of Directors

The Board of Directors embodies a harmonious blend of professionals possessing diverse skill sets. Notably, it maintains equilibrium by encompassing an equal proportion of Executive and Non-Executive Directors. Their combined expertise spans the agrochemicals industry, financial and organisational management, as well as a comprehensive grasp of pertinent laws and regulations. Together, the Board members offer a dynamic fusion of experience and novel viewpoints, fostering the infusion of fresh ideas and innovation, while also drawing from their rich life experiences.

We distinguish ourselves by proactively embracing and advocating for sound practices, extending beyond conventional mandates. Rooted in strong ethical principles, the governance ethos beyond mere compliance, supporting our stellar reputation. Heranba has voluntarily crafted numerous policies, highlighting our assurance to excellence. These policies serve as a demonstration of our dedication to upholding elevated standards and perpetually advancing on the path of improvement.

Board Committees

Audit Committee

The Audit Committee is tasked with the regular examination of financial statements, internal audit reports, audit plans, findings, adequacy of internal controls, compliance with accounting standards, and other critical activities. Additionally, the Committee oversees the evaluation of internal financial controls and risk management systems.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for conducting regular reviews of the remuneration of directors and individuals who may be appointed as senior management and Key Managerial Personnel. Additionally, the Committee oversees the evaluation of Directors' performances and makes recommendations regarding appointments and dismissals to the Board.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is involved in regularly assessing the performance of the shareholder/investor grievance redressal system and facilitating ongoing enhancements. Additionally, the Committee is responsible for reporting any significant concerns that may arise during its review process.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is tasked with formulating and proposing a suitable CSR Policy to the Board, outlining the activities to be conducted by the Company, whether directly or through a designated implementation agency. Additionally, the Committee is accountable for periodically reviewing the CSR initiatives, assessing their implementation, and monitoring expenditure in this regard.

Risk Management Committee

The Risk Management Committee is involved in crafting and proposing a suitable Risk Management Policy to the Board. Additionally, the Committee is tasked with the following responsibilities:

- Establishing suitable methodologies, processes, and systems to monitor and assess risks inherent in the Company's operations
- Overseeing the implementation of the risk management policy, including evaluating the effectiveness of risk management systems
- Conducting periodic reviews of the risk management policy
- Keeping the Board of Directors informed about the discussions held, recommendations made, and subsequent actions proposed

Open Offer Committee

An Open Offer Committee was constituted specifically to carry out and decide upon all activities related to the Open Offer, as the wholly-owned subsidiary Company, Mikusu India Private Limited, had made an Open Offer for the acquisition of Daikaffil Chemicals India Limited.

Balanced Board Composition

50% Non-Executive Directors

50% Executive Directors

A proactive Board

07 Board meetings conducted during FY24

98% Overall attendance at board meetings

Policies Adopted by the Board

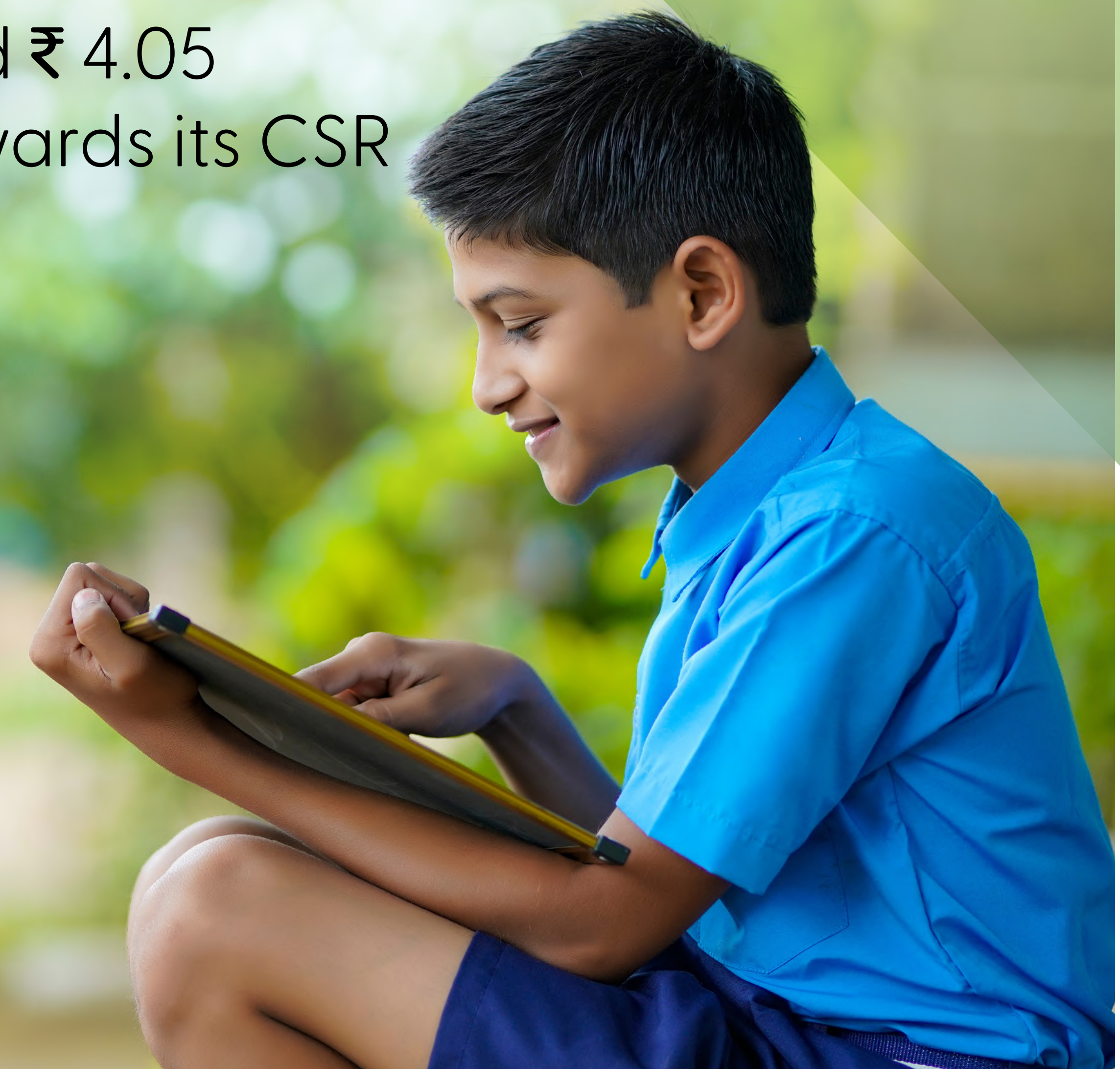
- Prohibition of Child and Forced Labour Policy
- Anti Discrimination Policy
- BRSR Policy
- Grievance Redressal Policy
- Labour and Human Right Policy
- Anti-Corruption Policy
- Code of Conduct for Board of Directors and Senior Management
- Determination of Materiality Policy
- KMP for Determining Materiality
- Diversity on The Board of Directors Policy
- Materiality of Related Party Transactions policy
- Sexual Harassment Policy
- Fair Disclosure Code
- CSR Policy
- Risk Assessment and Minimisation Policy
- Preservation of Documents Policy
- Dividend Distribution Policy
- Vigil Mechanism Policy
- Insider Trading Policy
- Familiarisation Program for Independent Directors Policy
- Terms and Conditions of Appointment of Independent Directors
- Remuneration Policy
- Succession Policy
- Materiality Subsidiary Policy

Corporate Social Responsibility

Commitment to Sustainable Progress

Heranba Industries Limited is committed to fostering social and environmental progress, recognizing the vital role businesses play in this endeavour. The Company's Corporate Social Responsibility (CSR) initiatives are built on the pillars of Education, Health & Sanitation, Cultural Programs, and Sports Promotion. Through partnerships with various implementing agencies, such as trusts and NGOs, Heranba strives to create a positive and lasting impact on the communities it serves. As a responsible corporate citizen, Heranba has integrated CSR into its core values and operations, ensuring that its business practices align with its commitment to societal well-being.

In FY24, Heranba allocated ₹ 4.05 crore towards its CSR activities.



Key CSR Initiatives

Education

Heranba Industries believes that education is the foundation of progress and is crucial for shaping a brighter future for the younger generation. The Company has undertaken several educational initiatives, including:

Vocational Training

Providing vocational training to underprivileged students in Rajasthan, Gujarat, and Uttar Pradesh. This training equips students with valuable skills, enhancing their employability and enabling them to lead self-reliant lives.

Educational Development

Implementing educational development initiatives in Maharashtra aimed at creating a conducive environment for nurturing young minds and fostering a passion for learning.

Health & Sanitation

Heranba Industries is dedicated to promoting the accessibility of health and sanitation, which are fundamental human rights. The Company's efforts in this area include:

Green Community Toilets

Mobilising funds for the installation of eco-friendly community toilets in the Vapi district of Gujarat. These toilets address sanitation needs while also contributing to environmental sustainability.

Inclusive Initiatives

Heranba Industries also focuses on inclusive initiatives to support marginalised communities and make social welfare contributions. Key activities include:

Empowering Widows

Providing sewing machines to poor and needy widows in Maharashtra, enabling them to support their own livelihoods and lead better lives.

Social Welfare Contributions

Contributing to social welfare activities, such as the Police Welfare Function in Sarigam, Gujarat, to support community well-being.

Through these diverse and impactful CSR initiatives, Heranba Industries Limited demonstrates its commitment to creating a more equitable and sustainable society.

Risk Management Framework

Navigating Challenges with Confidence

Given the diverse scope of our global operations and the multitude of revenue sources, we acknowledge the broad spectrum of risks inherent in our business. To proactively address this, we have instituted a robust risk management framework aimed at identifying, assessing, and mitigating potential risks effectively. This structured approach equips us to confront and counteract a wide array of potential challenges.

Our adherence to stringent risk management protocols enables us to anticipate and confront operational hurdles head-on. Rather than viewing risks as impediments, we leverage them as opportunities for innovation and advancement. Through vigilant monitoring and periodic assessments, we remain dedicated to fostering a culture of proactive risk management. This not only fortifies our business interests, but also fosters sustainable growth across all facets of our operations.

Robust Risk Management Framework

1. **Identifying a potential risk**
2. **Assessing the risk on cogent parameters**
3. **Implementing processes to mitigate the risk**
4. **Evaluating and analysing the measure so implemented and its effect on the risk**
5. **Continually monitoring the risk**

Potential Risks and Their Mitigation

Risk type	Mitigation measures
Business Operations The Company faces risks when it comes to the planning, monitoring, and reporting tasks involved in its daily operations.	Our organisation has a clearly defined structure that facilitates smooth information flow across departments. We maintain ample stock of raw materials and have backup power generation capacity to ensure uninterrupted production. Additionally, we take measures to minimise production costs. A proficient HR team ensures the recruitment and retention of talented individuals.
Liquidity The Company may encounter risks pertaining to financial solvency, borrowing constraints, and cash management.	To mitigate these risks, we implement various measures. We engage in comprehensive financial planning by creating annual and quarterly budgets, conducting variance analyses, and estimating daily cash flows. To prevent the loss of interest on collections, we utilise cash management services offered by banks. Additionally, we support our foreign exchange transactions with bank guarantees and implement a suitable hedging policy.
Credit The Company is exposed to the risk of uncertainties concerning the recovery of outstanding dues.	We have established systems to evaluate and ensure the creditworthiness of our customers.
Logistics The Company may face risk on account of availing services of third-party transporters.	We exclusively engage with committed and dedicated service providers to mitigate risks associated with third-party transporters. To optimise our operations, we have implemented a combination of transportation modes, including road, rail, sea, and air. Additionally, we have obtained comprehensive transit risk insurance coverage for all incoming and outgoing goods.
Market & Industry The Company is exposed to various risks, including those related to demand and supply, quality and quantity of products, lead time, suppliers, interest rates, raw material prices, and potential interruptions in raw material supplies.	We strategically procure our raw materials from multiple sources to obtain competitive prices. Although we have no direct control over demand and supply, we leverage our experience to plan our production and sales accordingly. To ensure uninterrupted raw material supply, we have established relationships with multiple providers and implemented effective inventory control systems.
Human Resource The Company is susceptible to risks stemming from turnover within its workforce, the need for training, and potential skill redundancies.	Our HR team is dedicated to ensuring the appropriate recruitment of new talent and conducting performance-based appraisals to keep our employees motivated. We prioritise upskilling our workforce through regular training initiatives and actively engage in employee engagement and welfare activities.
Disaster The Company's infrastructure and operations are vulnerable to force majeure events such as fires, floods, seismic activity, and other unforeseen circumstances.	While we cannot prevent natural disasters, we prioritise preparedness for such events. We have insured our properties against natural risks to minimise potential losses. Additionally, fire hydrants have been installed at all our manufacturing locations, and we conduct regular fire safety drills. Our watch and ward staff, as well as safety personnel, receive first-aid training. Furthermore, our workmen are covered under various schemes such as Employee State Insurance (ESI), Employee Provident Fund (EPF), and more.
System The Company's IT infrastructure may be open to data security, as well as interoperability risks.	Our systems administrator diligently monitors and performs regular upgrades to our systems. To enhance data security, we employ password protection measures and exclusively use licensed software. We have implemented access control mechanisms to safeguard our data from unauthorised access.

Management Discussion and Analysis

Economic Overview

Global Economy

The global economy displayed unexpected resilience during the disinflation period of 2022-23, defying predictions of stagflation and recession. Economic activity remained steady, supported by factors like government spending, household consumption, and increased labour force participation. This resilience allowed households, particularly in advanced economies, to draw upon savings accumulated during the pandemic.

While global growth is estimated at 3.2% in 2023, it is projected to continue at the same modest pace in 2024 and 2025. This relatively low growth rate is attributed to factors such as high borrowing costs, withdrawal of fiscal support, weak productivity growth, and increasing geoeconomic fragmentation. Global headline inflation is expected to gradually decline, with advanced economies returning to inflation targets sooner than emerging markets.

Global growth is estimated at 3.2% in 2023 and projected to continue at the same pace in 2024 and 2025, which is low by historical standards. This is due to factors like high borrowing costs, withdrawal of fiscal support, productivity weakness, and geoeconomic fragmentation.

Global headline inflation is expected to fall from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to inflation targets sooner than emerging markets.

The medium-term growth outlook appears relatively weak, reflecting lower growth in GDP per capita stemming from persistent structural frictions that prevent capital and labour from moving to productive firms. The dimmer growth prospects in China and other large emerging economies, given their increasing share of the global economy, will also weigh on the prospects of their trading partners.

Risks to the global outlook are now broadly balanced. Downside risks include geopolitical tensions, persistent core inflation, divergence in disinflation speeds, financial stress from high interest rates, and geoeconomic fragmentation. Upside risks include looser fiscal policy and faster-than-expected disinflation.

Policy priorities include ensuring a smooth landing for inflation, implementing medium-term fiscal consolidation, intensifying supply-enhancing reforms, and multilateral cooperation to limit geoeconomic fragmentation and climate change risks.

Source: IMF World Economic Outlook, April 2024

Indian Economy

The Indian economy is projected to sustain a robust growth rate of 7% or higher for the financial year 2023-24, with some forecasts indicating a continuation of this impressive performance into FY25. If this prediction materialises, it would mark the fourth consecutive year of post-pandemic growth at or above 7%, a remarkable achievement that underscores the Indian economy's resilience and potential, auguring well for its future prospects.

In contrast, the global economy continues to grapple with sustaining its post-Covid recovery, as successive shocks, including the recent resurgence of supply chain disruptions in 2024, threaten to disrupt trade flows, transportation costs, economic output, and inflation globally. While India is not immune to these challenges, having already navigated the Covid pandemic and the energy and commodity price shocks of 2022, it exudes a quiet confidence in its ability to weather emerging disturbances.

Several trends are expected to reshape the future economic landscape:

1. **Waning Hyper-Globalisation:** The era of hyper-globalisation in global manufacturing appears to be coming to an end, but this does not necessarily herald de-globalization, as countries are only now beginning to appreciate the extensive integration of global supply chains developed over recent decades.
2. **Rise of AI:** The advancement of Artificial Intelligence (AI) raises complex questions about growth in services trade and employment, posing a threat to the cost competitiveness advantage enjoyed by countries exporting digital services.
3. **Energy Transition:** The challenge of energy transition looms large, driven by mounting concerns over rising temperatures and the need to reduce carbon emissions. This has led to sustained pressure from international organisations and advanced nations on developing countries to transition away from fossil fuels and adopt greener energy alternatives.

The government's fiscal policy stance for FY 2024-25 aims to fortify the domestic economy's resilience against external shocks and mitigate the risks of a global economic downturn, without compromising macroeconomic stability. The overarching strategy focuses on fostering a more inclusive, sustainable, and shock-resistant domestic economy. Increased resources will be channelled towards capital spending to sustain the momentum of infrastructure development, embracing the principles of PM Gati Shakti for integrated and coordinated project planning and implementation. Fiscal federalism will be strengthened by supporting states' efforts in enhancing public infrastructure. Prioritisation of expenditure will be directed towards key developmental sectors such as drinking water, housing, sanitation, green energy, health, education, agriculture, and rural development, ensuring long-term sustainable and inclusive betterment of citizens. Furthermore, the effectiveness of cash management will be enhanced through just-in-time resource allocation, leveraging systems like SNA/TSA.

Source: Ministry of Finance, Government of India

MD&A

Industry Overview

Global Chemical Industry Overview

Global Crop Protection Industry Overview

Pesticides, also known as agrochemicals, play a crucial role in agriculture by supporting plant growth, protecting crops from pests, and increasing crop yields. They safeguard crops from insects, diseases, and weeds, which can adversely affect the volume and quality of food crops. These benefits have supported the growth of the pesticide industry globally over the years. Additionally, the need for sufficient global food production to meet the demands of the increasing world population has also contributed to the market's growth.

The global pesticide industry is dominated by the herbicide segment, followed by fungicides and insecticides. In 2022, the industry's global market size was around USD 81 billion, with herbicides accounting for the highest share of approximately USD 29 billion (around 35%). The fungicide and insecticide segments contributed roughly USD 18 billion (~22%) and USD 17 billion (~17%), respectively, to the global pesticide industry during the same year.

Segments (USD billion)	2022	2028P	Outlook CAGR
	Crop protection market		
Herbicides	29	~40	4.5%-5.5%
Fungicides	18	~25	4.5%-5.5%
Insecticides	17	~23	4.5%-5.5%
Others	6	~7	1.5%-2.0%
Total crop market	**70**	**~95**	**5.0%-6.0%**
Non-crop market	**11**	**~14**	**4.1%-5.0%**
Total global pesticides market	**81**	**~109**	**5.0%-6.0%**

Source: CareEdge Research estimates based on industry sources
Note: 2022 data is estimate

Apart from the crop market, the non-crop segment has also contributed significantly to the global pesticide market. In 2023, this segment had a market size of about USD 11 billion. These pesticides are used in homes, gardens, turfs, ornamentals, pest control operations, industrial vegetation management, forestry, public health, and aquatic environments, among others. They serve various purposes, including weed control, disease management, insect control, and plant growth regulation.

With the anticipated increase in pesticide application due to their benefits, the crop market is expected to grow at a faster compound annual growth rate (CAGR) compared to the global non-crop market. Accordingly, the global non-crop market is projected to rise at a CAGR of about 4.1%-5% by 2028, reaching approximately USD 14 billion.

During the period of 2017-2022, the global pesticide market is estimated to have grown at a CAGR of 5.1%, increasing from USD 62 billion in 2017 to USD 81 billion in 2022. However, post-2021, demand has been soft due to various factors, including geopolitical tensions, supply chain issues, and high raw material prices. In 2023, after export restrictions were eased in China, the supply increased, leading to declining prices and subdued demand.

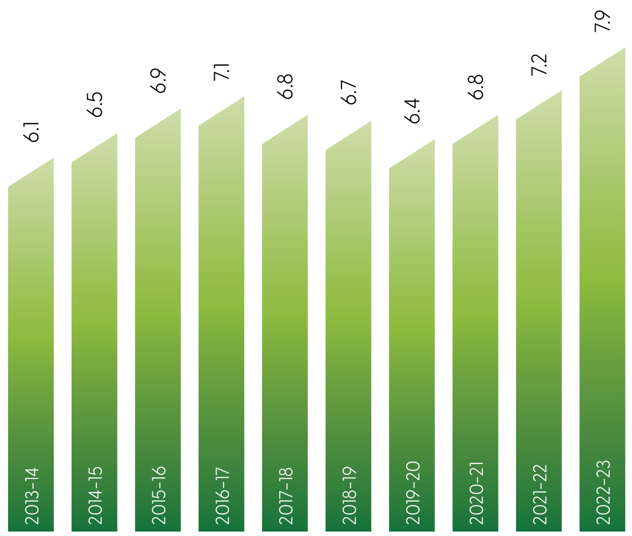
The aforementioned factors are expected to continue supporting the global pesticide industry. As a result, wthis market is projected to register a growth rate of 5.0-6.0% during the period of 2023-2028, likely reaching approximately USD 109 billion by 2028.

- Asia Pacific is expected to remain the largest market for the global pesticide industry and is projected to grow at the fastest CAGR of 6.0-6.5% by 2028 among all regions. This is likely to increase the Asia Pacific region's share in the international market to around 34% by 2028, up from an estimated 32% in 2022.
- The pesticide markets in Latin America, North America, and the Middle East & Africa are likely to increase at a CAGR of 4.5%-5.5% by 2028.
- The pesticide market in Europe, on the other hand, is estimated to increase at a CAGR of 2.0%-2.4% during the forecasted period.

Source: Care Ratings

Indian Agrochemicals Market Overview

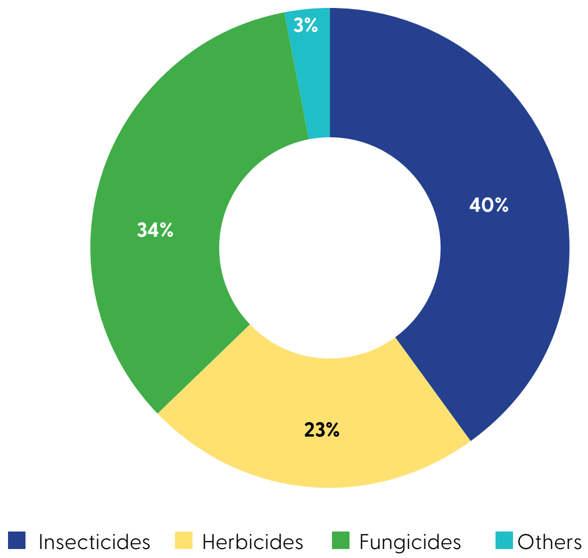
The Indian pesticides market has shown significant growth over the past decade. From 2013-14 to 2022-23, the market grew at a Compound Annual Growth Rate (CAGR) of 6.6%, increasing from ₹ 368 billion to ₹ 655 billion. In terms of USD, the market grew at a CAGR of 3.0%, from USD 6.1 billion to USD 7.9 billion during the same period.



Source: Department of Chemicals and Petrochemicals.
Note: The market size of industry for years 2020-21, 2021-22 and 2022-23 are CareEdge Research estimates

The Indian pesticide industry is primarily divided into three types:

- **Insecticides:** Account for approximately 40% of the market share
- **Fungicides:** Hold around 34% of the market share
- **Herbicides:** Make up about 23% of the market share



Source: Based on Industry sources, CareEdge Research estimates, Directorate of Plant Protection, Quarantine & Storage

The overall Indian pesticide industry is expected to continue its growth trajectory, with an estimated CAGR of 6.0%-6.5% by 2027-28. This growth is driven by an anticipated increase in both international market demand and domestic usage of pesticides.

Supply Chain and Backward Integration

India's pesticide industry is currently dependent on China for some technical insecticides. Disruptions in China's supply chain, such as chemical plant shutdowns to reduce pollution, can impact India's supply chain. To mitigate this risk, the Indian government is considering expanding the Production Linked Incentive (PLI) scheme to include domestic manufacturing of agrochemicals. This initiative aims to:

- Increase the competitiveness of domestic producers.
- Enhance India's market share in the global agrochemicals market.
- Achieve self-sufficiency by producing technical-grade ingredients domestically.

Exports & Imports

India is a net exporter of pesticides, with exports accounting for a significant share of the total market size. From 2018-19 to 2022-23, pesticide exports grew at a CAGR of 8.1%, from 461 thousand tonnes to 630 thousand tonnes. The export value also increased at a higher CAGR of 22%, from USD 3.2 billion (₹ 225 billion) to USD 5.2 billion (₹ 431 billion).

Top export destinations include Brazil, the USA, Bangladesh, Vietnam, and Australia. The export volumes are expected to grow at a CAGR of 6%-7% by 2027-28, with insecticides projected to grow the fastest at 10%-11%, followed by herbicides at 7.5%-8.5%, and fungicides at 4%-5%.

While India is a net exporter, it also imports pesticides, albeit in smaller quantities. Imports grew at a CAGR of 3.5%, from 117 thousand tonnes in 2018-19 to 134 thousand tonnes in 2022-23. The value of imports increased at a CAGR of 6.0%, from USD 1.3 billion (₹ 89 billion) to USD 1.7 billion (₹ 140 billion). China is the major source of imports, accounting for 51.97% of the total, followed by the USA, Israel, and Taiwan.

India's pesticide production capacity has increased at a CAGR of 4.0%, from 325 thousand tonnes in 2017-18 to 380 thousand tonnes in 2021-22. However, production declined by 13.3% year-on-year to 258 thousand tonnes in 2022-23 due to subdued demand from agriculture both globally and domestically. The industry's capacity utilisation has averaged around 65% over the past five years.

India has a competitive edge in the agrochemical industry due to low labour costs and support for chemical clusters. The industry remained resilient during the pandemic year (2021-22), with exports increasing by 22% to 648 thousand tonnes and growing by 37.7% to ₹ 365 billion year-on-year.

MD&A

Opportunities and Challenges

The Indian pesticide industry has several growth opportunities, including:

- Increasing food consumption due to population growth.
- Government support for agriculture.
- Demand from export markets, horticulture, and floriculture.

However, challenges such as dependency on China for technical insecticides and the need for backward integration to ensure supply chain stability remain. The adoption of the 'China plus one strategy' by many countries could benefit India by reducing global dependence on China and increasing India's export potential.

In conclusion, the Indian crop protection industry is poised for continued growth, driven by both domestic and international demand, government initiatives, and strategic shifts in global supply chains.

Global Pyrethroid Market Overview

In 2020, the global pyrethroids market was valued at approximately $3.3 billion. From 2015 to 2020, the market experienced steady growth with a CAGR of 4.7%. Looking ahead, it is projected to continue growing at a CAGR of 6.4% until 2025, reaching a value of $4.5 billion. Despite recent industry-related challenges, the pyrethroids market is expected to recover and exhibit growth due to the ongoing demand for these chemicals in various applications. Pyrethroids are extensively used in both agricultural and urban settings for public and animal health functions. As the global population expands and farmland diminishes, farmers worldwide are adopting novel farming techniques to enhance crop productivity. In terms of human safety, pyrethroids offer an advantage over organophosphates, being more eco-friendly and safer for humans and mammals.

In 2020, the Asia Pacific region, including India, held the dominant position as the largest market for pyrethroids, comprising approximately 40% of the global market share. Latin America followed closely with 22%, North America with 18%, Europe with 15%, and the Middle East and Africa with around 5%. While India played a significant role in the export market, its own consumption accounted for approximately 4% of the global total. Within the Asia Pacific region, India constituted around 10% of the demand, with China being the largest player in the region. Among the emerging economies, including China, India, Vietnam, and Thailand, there is substantial consumption of pyrethroid insecticides for various cereal and grain crops.

The utilisation of pyrethroids has been on the rise in Europe and North America, particularly in Canada, as they are increasingly being substituted for organophosphates. Vegetables and fruits in North America are treated with domestically registered pyrethroids. The demand for insecticides is expected to continue growing due to robust government support for environmentally friendly and responsible agricultural practices. However, the European market is projected to exhibit sluggish growth in the forecast period due to stringent regulations on chemical production and usage.

In terms of global consumption, the Asia Pacific and Latin America regions together accounted for nearly 60% of the total demand in 2020, with the Asia Pacific region also functioning as the largest manufacturer and supplier of pyrethroids.

Source: Care Ratings

Company Overview

Heranba Industries Limited (HIL) is a prominent agrochemical Company in India, specialising in the manufacturing of intermediates, technicals, and formulations for farmers and other institutional customers. The Company provides innovative crop care solutions to farmers and public health products like pesticides to pest control companies, government authorities, and others.

HIL operates 4 state-of-the-art manufacturing units strategically located in the industrial belt of Vapi, Saykha, and Sarigram in Gujarat. The Company boasts a dedicated in-house research and development team focused on product development and improvement, operating out of 3 cutting-edge R&D centres. This team is complemented by a strong product registration team working to expand the Company's business globally.

With a diverse product portfolio, robust R&D capabilities, and prudent growth strategies, Heranba Industries Limited is well-positioned to expand its operations globally and become a leading player in the agrochemical industry. The Company develops, manufactures, and sells crop protection solutions such as herbicides, insecticides, and fungicides, aiding farmers in safeguarding their crops against weeds, pests, and diseases.

Heranba primarily operates in the off-patent market, offering customers long-standing foundational products and unique formulations. It holds a prominent position as one of the leading domestic producers of synthetic pyrethroids, including cypermethrin, alphacypermethrin, deltamethrin, permethrin, lambda cyhalothrin, and others. The Company's pesticide range encompasses insecticides, herbicides, fungicides, and public health products for pest control.

Heranba Industries Limited has a strong global presence, with its footprint in the Middle East, Commonwealth of Independent States (CIS), Asia, Southeast Asia, and Africa regions. Furthermore, the Company is actively working towards expanding its operations in developed markets such as the United States and Europe, leveraging its expertise and innovative solutions to cater to the global agricultural community.

Risks and Concerns

In FY24, Heranba Industries Limited continued to face a challenging macroeconomic environment and industry headwinds that originated in FY23. These challenges included a decrease in demand due to supply-chain destocking in various regions, lower overall demand, and a decline in price realisations for agrochemicals in 2023. Additionally, the industry faced intense competition from Chinese manufacturers and higher stock levels with supply chain players in export markets.

Despite these obstacles, the Company exhibited resilience in its performance and continued to advance its strategic initiatives, such as product development and commercialization, project execution, and brand-building efforts. Heranba Industries remains confident in its performance and believes it will continue to deliver value to its customers and shareholders in the future.

As agrochemicals rely on the agricultural sector for their demand, they are susceptible to weather conditions, including extreme events like droughts and natural disasters. Prolonged periods of excessive rainfall or drought in India or foreign markets where the Company operates can impact the demand for its products. Unfavourable weather patterns can have adverse effects on the Company's operations and financials.

Given the nature of the products manufactured by Heranba Industries, challenges such as contamination, adulteration, and product tampering arise throughout the manufacturing, transportation, and storage processes. Product liability or recall claims are inherent risks for the Company if goods fail to meet quality standards or are alleged to cause harm to consumers. While the Company follows standard manufacturing practices and conducts final product testing to mitigate these risks, it cannot completely eliminate them.

For more detailed information on the Risks and Risk Management Framework of the Company, please refer to page number 36.

FY24 Performance Review & Outlook

Revenue from Operations stood at ₹ 1,274.75 crore in FY24 as compared to ₹ 1,324.38 crore in FY23. EBITDA stood at ₹ 126.99 crore during the year as compared to ₹ 174.64 crore in FY23. Subsequently EBITDA margin stood at 9.96% in FY23 as compared to 13.05% in FY23. Profit After Tax stood at ₹ 66.35 crore in FY24 as compared to ₹ 110.11 crore in FY23.

The Company's FY24 revenues stood at ₹ 1,274.75 crore restricted by unfavourable global economic scenario, inventory build-up in the system and sluggish demand from key export regions. However, we have witnessed decent traction for our formulation products in both domestic and export markets. The EBITDA margins remained muted during FY24 due to lower price realisation in export markets and falling prices in finished goods. Despite a challenging year, Heranba's Balance Sheet continues to remain robust.

The Company is hopeful of a better operating environment in the coming years, with some relief on product price trends, better demand outlook and incremental capacities coming on stream.

MD&A

Financial Ratios & Remarks

Particulars	FY24	FY23	Change	Remarks
Current Ratio	1.58	2.53	-37.40%	Overall decrease in current assets
Debt-Equity ratio	0.16	0.11	45.76%	Fresh borrowings taken during the year
Debt Service Coverage Ratio	8.09	15.43	-47.54%	Due to overall decrease in profit as compared to previous year
Return on Equity Ratio (ROE)	7.84%	14.39%	-45.54%	Due to overall decrease in profit as compared to previous year
Inventory Turnover Ratio	3.29	3.21	2.52%	
Trade Receivables Turnover Ratio	2.88	3.17	-9.34%	
Trade Payables Turnover Ratio	4.65	5.06	-8.07%	
Net Capital Turnover Ratio	3.19	2.65	20.39%	
Net Profit Ratio	5.21%	8.31%	-37.39%	Due to overall decrease in profit as compared to previous year
Return on Capital Employed (ROCE)	10.04%	16.80%	-40.21%	Due to overall decrease in profit as compared to previous year
Return on Investment (ROI)	0.83%	3.71%	-77.53%	Fresh investment made during the year

Human Resource and Industrial Relationship

Heranba Industries recognises its people as the driving force behind its business growth and considers them its most valuable asset. The Company is committed not only to fostering the professional development of its employees but also nurturing their personal growth. It strives to unlock the full potential of its human resources, thereby enhancing employee performance and achieving organisational objectives. Heranba places great emphasis on upskilling and training initiatives that align with the evolving needs of the business. The Company is dedicated to providing opportunities for its workforce to grow and learn within the organisation, enabling them to stay relevant and contribute effectively.

Heranba motivates its employees through various performance-based compensation schemes, which serve as a strong incentive for their dedication and hard work. These schemes recognize and reward exceptional contributions, fostering a culture of excellence and continuous improvement. The management team at Heranba comprises a blend of young talent and seasoned professionals. This combination ensures a continuous flow of fresh ideas while benefiting from the wealth of experience accumulated over the years, creating a dynamic and innovative environment. The Company strives to strike a harmonious balance between employee satisfaction and the Company's profitability and capabilities, recognizing that a motivated and engaged workforce is crucial for successfully achieving its goals. Heranba Industries expresses sincere appreciation and gratitude to its employees for their significant contributions and unwavering support, which have played a vital role in the Company's success and development. The Company acknowledges the invaluable role of its human capital in driving its growth and achieving its objectives.

Internal Controls Systems and Their Adequacy

The Company has implemented a robust system of internal controls to safeguard its assets against loss, unauthorised use, or misappropriation. All transactions undergo a rigorous approval process, are meticulously documented, and reported to the Management within stipulated timelines. The Company adheres to all relevant accounting standards, ensuring proper maintenance of accounting records and accurate presentation of financial statements.

The Board's Audit Committee defines the scope, frequency, and methodology for internal audits. The internal auditors conduct comprehensive audits, encompassing the evaluation of the effectiveness and adequacy of the Company's internal control systems. They ensure compliance with operating procedures, accounting practices, and policies across all Company locations. Based on their findings and observations, periodic internal audit reports are submitted to the Audit Committee for review.

Process owners take necessary actions and implement measures in their respective areas based on the internal audit report and the Audit Committee's evaluation. According to the internal auditors, the Company's internal control system is robust, efficient, and effective, ensuring a high level of operational excellence.

Furthermore, the Board has established a comprehensive legal compliance framework to ensure adherence to all relevant laws and regulations. This framework ensures that the Company's compliance procedures are sufficient and effective, fostering a culture of ethical and responsible business practices.

Cautionary Statement

Some of the statements in this "Management Discussion and Analysis", describing the Company's objectives, projections, estimates, expectations, and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, based on any subsequent developments, information or events.

Corporate Information

CIN	L24231GJ1992PLC017315
REGISTERED OFFICE	Plot No.:. 1504/1505/1506/1, at III Phase GIDC, Vapi, District – Valsad, Gujarat. Telephone: +91-260-240 1646
CORPORATE OFFICE	2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Borivali (West), Mumbai-400092 Telephone: +91-22-2898 7912/5070 5050
PLANT	**LOCATION**
Unit-I	Plot No.: 1504/1505/1506/1, at III Phase GIDC, Vapi, District – Valsad, Gujarat.
Unit-II	Plot No.: A-2/2214, A-2/2215, III Phase GIDC, Vapi, District – Valsad, Gujarat
Sarigam Plant (Unit-III)	Plot No.: 2817/1, GIDC Sarigam, Taluka – Umbergaon, District – Valsad, Gujarat
Unit-IV	Plot No.: 1409, GIDC, Phase-III, Vapi – 396 195
Website	www.heranba.co.in
E-Mail	compliance@heranba.com
NAME OF THE STOCK EXCHANGES	**STOCK CODE NO.**
BSE Limited ("BSE")	543266
National Stock Exchange of India Limited ("NSE")	HERANBA
ISIN No.	INE694N01015

BOARD OF DIRECTORS

Chairman

Mr. Sadashiv K. Shetty

Managing Director

Mr. Raghuram K. Shetty

Executive Directors

Mr. Raunak R. Shetty
Mr. Shriraj S. Shetty

Independent Directors

Mr. Mulky V. Shetty
Mr. Anilkumar M. Marlecha
Mr. Ganesh N. Vanmali
Ms. Reshma D. Wadkar

KMP OTHER THAN DIRECTORS

Mr. Rajkumar Bafna - Chief Financial Officer
Mr. Abdul Latif - Company Secretary

BANKERS

Bank of Baroda
HDFC Bank Limited
CTBC Bank Co. Ltd.

REGISTRAR & SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited.,
Office No S6-2,
6th Floor, Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road, Andheri (East),
Mumbai – 400093.

STATUTORY AUDITOR

Natvarlal Vepari & Co,
Chartered Accountants

SECRETARIAL AUDITOR

M/s. K. C. Suthar& Co.,

Practicing Company Secretary

COST AUDITOR

Mr. Paresh Jaysih Sampat,
Cost Accountants

Notice

NOTICE is hereby given that the 32nd (Thirty Second) Annual General Meeting of the members of M/s. Heranba Industries Limited **("Company")** will be held on **Thursday, September 12, 2024 at 04:00 p.m.** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated financial statements, namely (i) the Audited Balance Sheet as at March 31, 2024, (ii) the Audited Profit and Loss Account for the financial year ended March 31, 2024, (iii) the Audited Cash Flow Statement for the financial year ended March 31, 2024, (iv) Statement of Changes in Equity as on March 31, 2024, (v) Notes annexed to, or forming part of, the documents referred to in (i) to (iv) above and the reports of the Board of Directors and the Auditors thereon.

2. To confirm and declare a final dividend @ ₹ 1.25 (Rupees One and Paise Twenty Five) per equity share of the face value of ₹ 10.00 (Rupees Ten) each (i.e. 12.5% of the face value) for the financial year ended March 31, 2024.

3. To appoint a director in place of **Shri Sadashiv K. Shetty (DIN: 00038681)**, Whole-Time Director designated as Executive Chairman retired by rotation being eligible for the re-appointment, offers himself for re-appointment.

4. To appoint a director in place of **Shri Raghuram K. Shetty (DIN: 00038703)**, Managing Director retired by rotation being eligible for the re-appointment, offers himself for re-appointment.

SPECIAL BUSINESS:

5. [****]

****The resolution No. 5 proposed to be passed at this 32nd Annual General Meeting regarding Ratification of the remuneration payable to the Paresh Jaysih Sampat, Cost Auditor, Mumbai (Firm Registration No. 102421) of the Company for the Financial Year ending March 31, 2025 is dropped by Board of Directors at their meeting held on August 12, 2024. Please refer Explanatory Statement in this regards.

6. Approval for increase in overall borrowing limits of the Company as per Section 180 (1) (c) of the Companies Act, 2013:

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board together with the moneys already borrowed shall not at any time exceed ₹ 1,200 Crore;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

7. Creation of security on the properties of the Company, both present and future, in favour of lenders:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge/ mortgage/pledge/hypothecation/security in addition to existing charge/mortgage/pledge/hypothecation/ security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties, tangible or intangible assets of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed/to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non convertible debentures with or without detachable or nondetachable warrants and/ or secured premium notes and/or floating rate notes/ bonds or other debt instruments), issued/to be issued by the Company including deferred sales tax loans availed/to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/ Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into/

to be entered into between the Company and the Lender(s)/Agent(s)/Trustee(s)/State Government(s)/ Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans/ borrowings/debentures/securities/deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s)/Agent(s)/Trustee(s)/State Government(s)/Agency(ies), etc.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior/pari passu/ subservient with/to the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents/deeds/ writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary
ACS: 17009

Place: Mumbai
Dated: May 27, 2024

Registered Office:
Plot No.: 1504/1505/1506/1,
GIDC, Phase-III,
Vapi, Valsad-396195, Gujarat.

ADDENDUM TO THE NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY

Addendum to the Notice dated May 27, 2024 convening the Thirty-Second Annual General Meeting of the Company scheduled to be held on Thursday, September 12, 2024 at 04:00 pm (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Notice is hereby given pursuant to the provisions of Section 148 of the Companies Act, 2013 ('Act') read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014, for approval of remuneration of New Cost Auditor of the company appointed for the Financial Year 2023-24 and 2024-25. Accordingly, the following item of business is added in the aforesaid Notice as Item No. 9 as a Special Business and this addendum shall be deemed to be an integral part of the original Notice dated May 27, 2024 and the notes provided therein. Attention of the shareholders is specifically drawn to the attached explanatory statement to explain the background of the proposal and the stand of Audit Committee as well as Board of Directors of the Company thereon.

SPECIAL BUSINESS:

Item No. 8

Ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2023-24 and 2024-25.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the members of the company be and is hereby accorded to pay remuneration of ₹ **2,00,000/- (Rupees Two Lakh Only) plus GST thereon and reimbursement** of out of pocket expenses at actual to **M/s Tapan Gaitonde & Co., Cost Accountant, Mumbai (Firm Registration No. 104043)** who has been appointed by the Board as Cost Auditors of the Company for the financial year 2023-24;

RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the members of the company be and is hereby accorded to pay remuneration of ₹ **2,00,000/- (Rupees Two Lakh Only) plus GST** thereon and reimbursement of out of pocket expenses at actual to **M/s Tapan Gaitonde & Co., Cost Accountant, Mumbai (Firm Registration No. 104043)** who has been appointed by the Board as Cost Auditors of the Company for the financial year 2024-25;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary
ACS: 17009

Place: Mumbai
Dated: August 12, 2024

Registered Office:
Plot No.: 1504/1505/1506/1,
GIDC, Phase-III,
Vapi, Valsad-396195, Gujarat.

Notes

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") read with SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India is annexed hereto.

2. The Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have vide various circulars, allowed companies:

   (i) To send the annual reports to shareholders who have registered their email ID with the Company/ Depositories only on email; and

   (ii) To hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue.

   Hence, in accordance with these Circulars, the 32nd AGM of the Members of the Company is being held through VC/ OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is given below herewith and available at the Company's website www.heranba.co.in.

3. **Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

   However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.

4. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF/NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said resolution/ authorisation shall be sent to the Scrutiniser by email through its registered email address to sutharkc@gmail.com at least 48 hours before the commencement of AGM.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available. for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. **September 12, 2024**. Members seeking to inspect such documents can send an email to compliance@heranba.com.

7. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Directors seeking re-appointment and proposal for continuation of directorship of **Mr. Sadashiv K. Shetty (DIN: 00038681) and Mr. Raghuram K. Shetty (DIN: 00038703)** forms part of this notice and is appended to the notice.

8. Members are requested to address all correspondence in connection with shares held by them, to the Company's Registrar & Transfer Agent ("RTA") at viz., Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Telephone No.: 022–62638200/222, Email id investor@bigshareonline.com by quoting their Folio number or their DPID and Client ID number, as the case may be.

9. In accordance with the provisions of the Income Tax Act, 1961 as amended from time to time, dividend declared and paid by the Company is taxable in the hands of its member and the Company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates. As such, whenever dividend is declared an email will be sent to the registered email ID of the members intimating about detailed process to be followed for submission of documents/declarations. Sufficient time will be provided for submitting the documents/declarations by the members who would desire to claim beneficial tax treatment.

10. **Members are requested to do following, if not done yet:**

    (i) Provide/update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque/cancelled cheque, self-attested identity proof and address proof, for remittance of dividend through ECS/NEFT and prevent fraudulent encashment of dividend warrants.

    (ii) Dematerialise the shares held by them in physical form.

    (iii) Update Permanent Account Number (PAN) against folio/demat account as also for deletion of name of deceased holder, transmission/transposition of shares.

    (iv) Members holding shares in dematerialised form are requested to intimate/update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants (DPs).

11. **NRI Members are requested to inform the RTA immediately:**

    (i) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and

    (ii) Change in their residential status and address in India on their return to India for permanent settlement.

12. In terms of Sections 124 of the Act, any dividend remaining unpaid for a period of seven years from the due date of payment and underlying shares thereon are required to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders can visit the Company's website www.heranba.co.in to get the details of unclaimed dividend under the Investors' Section and claim the same timely to avoid transfer of the same and underlying shares thereon to IEPF account- if any.

13. Pursuant to provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF authority as notified by the Ministry of Corporate Affairs.

14. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended March 31, 2024 and notice of the 32nd AGM are being sent to the members whose mail IDs are available with your Company/DP(s). Physical copy of the report is not sent to anyone. Annual Report and the notice of the 31st Annual General Meeting are also posted on the website www.heranba.co.in for download. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of Bigshare Services Pvt. Ltd. (agency for providing the remote e-Voting facility and e-Voting system during the AGM) i.e. https://www.bigshareonline.com/.

    However, in terms of Regulation 36 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the hard copy of full annual report will be sent to those shareholders who request for the same. Members seeking for hard copy of an annual report can send an email to the Company at compliance@heranba.com.

15. To disseminate all the communications promptly, members who have not registered their email IDs so far, are requested to register the same with DP/RTA for receiving all the communications including Annual Reports, Notices etc. electronically: (i) Registration of email ID for shareholders holding physical shares: Members holding Equity Shares of the Company in physical form and who have not registered their email addresses may get their email addresses registered with RTA, Bigshare Services Private Limited, by clicking the link: https://www.bigshareonline.com/InvestorRegistration.aspx on their website https://www.bigshareonline.com/Index.aspx at the Investor Services tab by choosing the email/bank registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, folio number, certificate number, PAN, mobile number and email ID and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). On submission of the shareholders details a OTP will be received by the shareholder which needs to be entered in the link for verification. (ii) For temporary registration for Demat shareholders: Members of the Company holding Equity Shares of the Company in demat form and who have not registered their email addresses may temporarily get their email addresses registered with Bigshare Services Private Limited, by clicking the link: https://www.bigshareonline.com/InvestorRegistration.aspx on their website https://www.bigshareonline.com/at the Investor Services tab by choosing the email registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID/Client ID, PAN, mobile number and email ID. This email ID will be used for sending annual report, notices for general meetings and other corporate communications as permitted.

16. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map is not attached to this Notice.

17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies(Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Bigshare Services Pvt. Ltd. for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by Bigshare Services Pvt. Ltd.

18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors,Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

19. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

20. The Company has fixed **September 05, 2024** as the Record Date for determining the eligibility and entitlement of the Members to the Final Dividend for the Financial Year ended March 31, 2024. Further the Registrar of Members and

Share Transfer Books of the Company will remain closed **from September 06, 2024 to September 12, 2024** (both days inclusive) for the purpose of 32nd Annual General Meeting of the Company.

21. The Company has fixed **September 05, 2024** as the Cut-off date for the purpose of Remote e-Voting for ascertaining the name of the Shareholders holding shares both in physical form or dematerialization form who will be entitled to cast their votes electronically in respect of the business to be transacted at the 32nd AGM of the Company.

22. Instructions for Shareholders for Remote e-Voting and for Shareholders joining the AGM through VC/OAVM & e-Voting during Meeting are given as **Annexure-I**.

23. M/s. K. C. Suthar & Co., a Practicing Company Secretary, Mumbai (Membership No. 5191 & Certificate of Practice No. 4075) has been appointed as the Scrutiniser to scrutinise the voting and remote e-Voting process in a fair and transparent manner.

24. The Scrutiniser will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes casted during the AGM and votes casted through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, and RTA and will also be displayed on your Company's website, https://www.heranba.co.in.

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary
ACS: 17009

Place: Mumbai
Dated: May 27, 2024

Registered Office:
Plot No.: 1504/1505/1506/1,
GIDC, Phase-III,
Vapi, Valsad-396195, Gujarat.

Annexure-I

BIGSHARE I-VOTE E-VOTING SYSTEM

(i) The voting period begins on September 09, 2024, 09:00 a.m. and ends on September 11, 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 05, 2024 may cast their vote electronically. The e-Voting module shall be disabled by Bigshare Services Pvt. Ltd. for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

(iv) In terms of **SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period.

1. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below: (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' Section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' Section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.e-Voting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at e-Voting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

2. **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below**:

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com.

- Click on **"LOGIN"** button under the **'INVESTOR LOGIN'** Section to Login on e-Voting Platform.

- Please enter you **'USER ID'** (User id description is given below) and **'PASSWORD'** which is shared separately on you register e-mail id:

  o Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.

  o Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID** followed by 8 Digit Client ID as user id.

  o Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

NOTE: If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (E-mail id and contact number are mentioned in helpdesk Section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

  NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any Company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?

- Enter "User ID" and "Registered email ID" Click on I AM NOT A ROBOT (CAPTCHA) option and click on 'Reset'.

- (In case a shareholder is having valid email address, Password will be sent to his/her registered e-mail address).

Voting method for shareholders on i-Vote e-Voting portal:

- After successful login, **Bigshare e-Voting system** page will appear.

- Click on **"VIEW EVENT DETAILS (CURRENT)"** under **'EVENTS'** option on investor portal.

- Select event for which you are desire to vote under the dropdown option.

- Click on **"VOTE NOW"** option which is appearing on the right hand side top corner of the page.

- Cast your vote by selecting an appropriate option **"IN FAVOUR"**, **"NOT IN FAVOUR"** or **"ABSTAIN"** and click on **"SUBMIT VOTE"**. A confirmation box will be displayed. Click **"OK"** to confirm, else **"CANCEL"** to modify. Once you confirm, you will not be allowed to modify your vote.

- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.

- Shareholder can **"CHANGE PASSWORD"** or **"VIEW/ UPDATE PROFILE"** under **"PROFILE"** option on investor portal.

3. **Custodian registration process for i-Vote e-Voting Website:**

- You are requested to launch the URL on internet browser: https://ivote.bigshareonline.com.

- Click on **"REGISTER"** under **"CUSTODIAN LOGIN"**, to register yourself on Bigshare i-Vote e-Voting Platform.

- Enter all required details and submit.

- After Successful registration, message will be displayed with **"User id and password will be sent via email on your registered email id"**.

NOTE: If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any Company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on **'LOGIN'** under **'CUSTODIAN LOGIN'** tab and further Click on **'Forgot your password?'**.

- Enter **"User ID"** and **"Registered e-mail ID"** Click on I AM NOT A ROBOT (CAPTCHA) option and click on **'RESET'**.

  (In case a custodian is having valid email address, Password will be sent to his/her registered e-mail address).

Voting method for Custodian on i-Vote e-Voting portal:

- After successful login, Bigshare e-Voting system page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under **"DOCUMENTS"** option on custodian portal.

  o Click on **"DOCUMENT TYPE"** dropdown option and select document type power of attorney (POA).

  o Click on upload document **"CHOOSE FILE"** and upload power of attorney (POA) or board resolution for respective investor and click on **"UPLOAD"**.

Note: The power of attorney (POA) or board resolution has to be named as the **"InvestorID.pdf"** (Mention Demat account number as Investor ID.)

o Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select **"VOTE FILE UPLOAD"** option from left hand side menu on custodian portal.
- Select the Event under drop down option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **"UPLOAD"**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **"CHANGE PASSWORD"** or **"VIEW/ UPDATE PROFILE"** under **"PROFILE"** option on custodian portal.

Helpdesk for queries regarding e-Voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/investor have any queries regarding e-Voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com, under download Section or you can e-mail us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

4. Procedure for joining the AGM/EGM through VC/OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/OAVM at https://ivote.bigshareonline.com under Investor login by using the e-Voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare e-Voting system** page will appear.
- Click on **"VIEW EVENT DETAILS (CURRENT)"** under **'EVENTS'** option on investor portal.
- Select event for which you are desire to attend the AGM/ EGM under the dropdown option.
- For joining virtual meeting, you need to click on **"VC/OAVM"** link placed beside of **"VIDEO CONFERENCE LINK"** option.
- Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-Voting on the day of the AGM/EGM are as under:

- The Members can join the AGM/EGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-Voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at https://ivote.bigshareonline.com, under download Section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH SEBI (LODR) REGULATIONS, 2015

Annexed to the Notice convening the 32nd (Thirty Second) Annual General Meeting.

ITEM NO. 5****

****The resolution No. 5 proposed to be passed at this 32nd Annual General Meeting regarding Ratification of the remuneration payable to the Paresh Jaysih Sampat, Cost Auditor, Mumbai (Firm Registration No. 102421) of the Company for the Financial Year ending March 31, 2025 is dropped by Board of Directors at their meeting held on August 12, 2024. Please refer addendum to Explanatory Statement given herein below.

ITEM NO. 6 & 7

Approval for increase in overall borrowing limits of the Company as per Section 180(1)(c) of the Companies Act, 2013

And

Creation of security on the properties of the Company, both present and future, in favour of lenders:

The Shareholders may kindly note that the members of the Company has passed the special resolution at their meeting held on July 09, 2018 authorising the Board to borrow upto ₹ 1,000/- Crore.

In order to carry out the business smoothly and to meet the working Capital requirements, the Board of Directors at their meeting held on May 27, 2024 has given their approval and recommended the same to shareholders to increase the existing limit from ₹ 1,000 Crore to ₹ 1,200 Crore as required u/s 180(1)(c) of the Companies Act, 2013 and rules made there under.

The Board has further given their approval to mortgage, pledge, charge, hypothecate and/or create security interest of every nature on moveable or immoveable assets and properties of the Company to secure the due payment in respect of borrowings of the Company as required u/s 180(1)(a) of the Companies Act, 2013.

The Borrowing to be obtained by the Company may exceed aggregate of the paid up share capital, free reserves and securities premium apart from temporary loan obtained from the Company's banker in the ordinary course of its business.

The Company may borrow money by way of Secured Loan and Unsecured Loan, both short term and long term for which the Company may need to create charges on the movable and immovable properties of the Company, both present and future, so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders/Institutions, under the respective arrangements entered into/to be entered by the Company and/or Board, **provided that** the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ **1,200 Crore**.

In terms of Section 180(1)(a) the Board of Directors of a Company, shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings only with the consent of the shareholders of the Company by passing a Special Resolution.

As creation of the charges on the movable and immovable properties of the Company, both present and future in respect of Borrowings, will amount to disposal of the undertaking hence the Board can exercise such power only with the consent of the shareholders of the Company by passing a Special Resolution.

Similarly in terms of the Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company, shall exercise the power to borrow further money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the shareholders of the Company by passing a Special Resolution.

The Ministry of Corporate Affairs (MCA), New Delhi vide their Notification No. 2754 dated September 12, 2013 had notified inter-alia the applicability of provisions of Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 with effect from September 12, 2013, which stipulates obtaining prior approval of the Shareholders of the Company by way of Special Resolution for exercising the specified powers of the Board of Directors relating to borrowing and selling/disposing off etc. of an undertaking of the Company respectively.

Therefore the Company is required to obtain consent of the shareholders of the Company by a Special Resolution. Shareholders may kindly note that proposed Borrowing limits and creation of charge in respect of the borrowing is to comply with the requirement of passing of Special Resolution under Section 180 of the Companies Act, 2013.

The relevant resolutions proposed for the Member's approval are specified collectively at item No. 6 and Item No. 7.

The Board of Directors recommend the Special Resolution as set out in item No. 6 and 7 of the Notice for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution.

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary
ACS: 17009

Place: Mumbai
Dated: May 27, 2024

Registered Office:
Plot No.: 1504/1505/1506/1,
GIDC, Phase-III,
Vapi, Valsad-396195, Gujarat.

ADDENDUM TO EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH SEBI (LODR) REGULATIONS, 2015

Ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2024 and Financial Year ending on March 31, 2025.

ITEM NO. 8

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee, appoint a cost accountant in practice, for auditing cost records of your Company and fix their remuneration.

The remuneration of Cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof, on the recommendation of Audit Committee, the Board has at its meeting held on **May 30, 2023** considered and approved appointment of M/s Paresh Jaysih Sampat., Cost Accountant, Mumbai (Firm Registration No. 102421), for cost audit of the cost records maintained by the Company for the financial year ending March 31, 2024, at a remuneration of **₹ 1.60 lakhs** plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members and their remuneration was ratified at the 31st Annual General Meeting held on **August 24, 2023** for the financial year 2023-24.

Further in pursuance thereof, on the recommendation of Audit Committee, the Board has at its meeting held on **May 27, 2024** considered and approved appointment of M/s Paresh Jaysih Sampat., Cost Accountant, Mumbai (Firm Registration No. 102421), for cost audit of the cost records maintained by the Company for the financial year ending March 31, 2025, at a remuneration of **₹ 2.00 lakhs** plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members and also proposed their remuneration for the financial year 2024-25 for ratification in ensuing AGM dated September 12, 2024.

However, Paresh Jaysih Sampat, Cost Accountant, Mumbai (Firm Registration No. 102421) have vide their letter dated August 02, 2024, tendered their resignation on account of ineligibility to continue as Cost Auditors of the Company for the financial year 2023-24 and Financial Year 2024-25, because of taking up some other professional assignment.

In the light of the above development, the resolution No. 5 proposed to be passed at this 32nd Annual General Meeting regarding Ratification of the remuneration payable to the aforesaid Cost Auditors of the Company for the Financial Year ending March 31, 2025 be and is hereby dropped.

Similarly, the Resolution No. 10 which was passed at the 31st Annual General Meeting regarding Ratification of the remuneration payable to the aforesaid Cost Auditors of the Company for the Financial Year ending March 31, 2024 becomes inoperative.

Hence the Board of the Directors has at its meeting held on **August 12, 2024** considered and approved the appointment of **M/s Tapan Gaitonde & Co., Cost Accountant, Mumbai (Firm Registration No. 104043)**, for cost audit of the cost records maintained by the Company for the financial year ending March 31, 2024 and for the Financial Year March 31, 2025, at a remuneration of **₹ 2.00 lakhs** plus GST and at a remuneration of **₹ 2.00 lakhs** plus GST respectively as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members.

Therefore, Member are requested to consider and if thought fit, to pass with or without modification(s), the Resolution No. 8 as an Ordinary Resolution in place of proposed Resolution No. 5 which was proposed to be passed at this 32nd Annual General Meeting and Resolution No. 10 which was passed at the 31st Annual General Meeting.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

The Board recommends the Ordinary Resolution at Item No. 9 of the accompanying Notice for approval of the Members of the Company.

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary
ACS: 17009

Place: Mumbai
Dated: August 12, 2024

Registered Office:
Plot No.: 1504/1505/1506/1,
GIDC, Phase-III,
Vapi, Valsad-396195, Gujarat.

Annexure to the Notice

Details of the Director seeking appointment/re-appointment at this Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).

Name of Director	Sadashiv K. Shetty	Raghuram K. Shetty
Date of Birth	June 13, 1954	March 25, 1959
DIN No.	00038681	00038703
Date of Appointment	November 01, 2023	November 01, 2023
Qualifications	Bachelor's (physics and chemistry) and Master's (chemistry) degree in science from University of Mysore.	Bachelors' degree in Economics from the University of Mysore. A government commercial diploma from the Department of Education, Bureau of Government Examinations, Maharashtra. A diploma in export and import management from the India International Trade Centre, Mumbai.
Experience in years	More than three (3) decades in agrochemicals industry	More than three (3) decades in agrochemicals industry
No. of equity shares held in your Company	72,01,796	1,19,11,446
No. of Board meetings attended during FY 2023-24	6 (100%)	6 (100%)
Relationship with other Directors and Key Managerial Personnel	1. Brother of Mr. Raghuram K. Shetty (Managing Director) 2. Father of Mr. Shriraj S. Shetty (Whole-Time Director)	1. Brother of Mr. Sadashiv K. Shetty (Chairman) 2. Father of Mr. Raunak R. Shetty (Whole-Time Director)
Terms and conditions of appointment	5 Years as Executive Chairman w.e.f. November 01, 2023 Liable to retire by rotation	5 Years as Managing Director w.e.f. November 01, 2023 Liable to retire by rotation
Other Directorships in Companies	1. Heranba Crop Care Limited 2. Chemino Pharma Limited 3. Mikusu India Pvt. Ltd. 4. Heranba Organics Pvt. Ltd. 5. Daikaffil Chemicals India Ltd.	1. SAMS India Pvt. Ltd. 2. Mikusu India Pvt. Ltd. 3. Heranba Organics Pvt. Ltd. 4. Crop Care Federation of India 5. Daikaffil Chemicals India Ltd.
Details of remuneration paid	₹ 1.56 Crore	₹ 3.32 Crore* * Remuneration includes commission. The commission is paid as per the Companies Act, 2013

* For additional details on skills, expertise, knowledge and competencies of Directors, please refer to Corporate Governance Report forming part of the Annual Report.

Boards' Report

To,
The Members,

Your Directors have pleasure in submitting their 32nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2024.

1. FINANCIAL RESULTS:

The summarized standalone results of your Company are given in the table below:

(₹ in Crore except per share)

Particulars	Financial year ended 31-03-2024	Financial year ended 31-03-2023
Revenue from Business Operations	1,274.75	1,324.38
Other Income	30.39	13.58
Total Income	**1,305.14**	**1,337.96**
Total Expenses	1,214.75	1,193.82
Profit/(loss) before Tax	**90.39**	**144.14**
Less: Tax Expenses (including for earlier years)	24.04	34.03
Net Profit/(Loss) After Tax	**66.35**	**110.11**
Paid Up Equity Share Capital (Face Value ₹ 10 each fully paid up)	40.01	40.01
Other Equity	837.45	776.10
Earning Per Share (Basic/Diluted)	16.58	27.52

2. DIVIDEND:

The Board of Directors has recommended a final dividend @ ₹ 1.25 (Rupees One and Paise Twenty Five) per equity share of the face value of ₹ 10.00 (Rupees Ten) each (i.e. 12.5% of the face value) for the financial year ended March 31, 2024, subject to approval of the shareholders at the ensuing 32nd Annual General Meeting (AGM). Dividend, if approved by the Shareholders at the enusing Annual General Meeting will absorb ₹ **5.00 Crore (approx)**. The Final Dividend shall be paid within 30 days of its declaration at the 32nd AGM.

3. FINACIAL PERFORMANCE AND OPERATIONAL REVIEW:

Revenue from Operations stood at ₹ 1,274.75 Crore in FY24 as compared to ₹ 1,324.38 Crore in FY23. EBITDA stood at ₹ 126.99 Crore during the year with EBITDA margin at 9.96% in FY24. Profit After Tax stood at ₹ 66.35 Crore in FY24 as compared to ₹ 110.11 Crore in FY23.

The Company's FY24 revenues stood at ₹ 1,274.75 Crore restricted by unfavourable global economic scenario, inventory build-up in the system and sluggish demand from key export regions. However, we have witnessed decent traction for our formulation products in both domestic and export markets. The EBITDA margins remained muted during FY24 due to lower price realization in export markets and falling prices in finished goods. Despite of a challenging year, Heranba's Balance Sheet continues to remain strong.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations is given separately and forms part of this 32nd Annual Report of the Company.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company does not have any funds as contemplated under Section 125 of the Act lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF). However, the Company has unclaimed dividend pertaining to financial years 2020-21, 2021-22 and 2022-23 as mentioned below:

Sr. No.	Dividend pertaining to Financial Years	Type	Date of Declaration	Amount (In ₹)	Due Date of Transfer to IEPF
1.	2020-21	Final Dividend	September 14, 2021	₹ 28,138.30/-	September 14, 2028
2.	2021-22	Final Dividend	July 27, 2022	₹ 39,725/-	August 27, 2029
3.	2022-23	Final Dividend	August 24, 2023	₹ 39, 746.75/-	September 30, 2030
Total				**₹ 1,07,610.05/-**	

The Company is in process to intimate all the shareholders who have not claimed dividend on shares.

6. SHARE CAPITAL:

Authorised Capital

As on March 31, 2024, the Authorized share capital of the Company stood at ₹ **45,00,00,000/- (Rupees Forty Five Crore Only)** divided into 4,50,00,000 (Four Crore and Fifty Lakh) equity shares of ₹ 10/- (Rupees Ten) Each.

Paid up Capital

As on March 31, 2024, the issued, subscribed and paid up Equity share capital of your Company stood at ₹ **40,01,34,670/- (Rupees Forty Crore One Lakh Thrity Four Thousand Six Hundred Seventy Only)** divided into 4,00,13,467 (Four Crore Thirteen Thousand Four Hundread And Sixty Seven) Equity shares of ₹ 10/- (Rupees Ten) each.

As on March 31, 2024, the entire share capital of the Company has been dematerialized.

There is no changes in the capital structure of the Company during the year.

7. FINANCE:

During the year under review, the Company availed the working capital credit facilities from the Bankers as per the business requirements. Your Company has been regular in paying interest and in repayment of the prinicipal amount of the aforesaid facilities.

8. DIVIDEND DISTRIBUTION POLICY:

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the top 1000 listed entities, based on market capitalization calculated as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in the Annual Report and on the website of the Company.

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profis to the Shareholders. The Policy is attached as **"Annexure-I"** and is also available on the website of the Company i.e., www.heranba.co.in under the Investors Relations-Section.

However the Company is out of purview of top 1000 listed entities based on market capitalization calculated as on March 31 2024.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/arrangements/transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no Materially Related Party Transactions i.e. transactions exceeding 10% of the annual turnover as per the last audited financial statements. The Compnay has not entered into any transaction with its Promoters, Directors, Key Managerial Personnel or other designated person which may have potential conflict with the interest of the Company at large.

All Related Party Transaction are placed on a half yearly basis before the Audit Committee for approval/ratification/noting etc.

The Audit Committee has reviewed the related party transactions as mandatorily required under relevant provisions of the Listing Regulations.

The said transactions are in the ordinary course of business and at arm's length basis. The Company had taken omnibus approvals for indicative transactions proposed during the financial year ended March 31, 2024.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website may be accessed on the Company's website.

All The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are attached herewith in **"Annexure-II" in Form No. AOC-2**.

Further Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in the Annual Report.

10. INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company. Further Directors have personally overviewed the adequacy of internal controls and also appointed Mr. Kamal Dharewa, Chartered Accountant of M/s KD Practice Consulting Pvt. Ltd. as the Internal Auditor to manage the internal controls of the Company.

In addition to Internal Audit, the Company has implemented well established internal financial practices, tool for mitigating risk in order to ensure adequate internal financial control commensurate with the size of the Company.

11. FINANCIAL LIQUIDITY:

Cash and Cash Equivalent as at March 31, 2024 was ₹ **12.06 Crore**. The Company's working capital management is based on a well-organized process of continuous monitoring and control on Receivables, Inventories and other parameters.

12. INSURANCE:

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured. The Company has obtained the Director & Officer (D&O) policy for its Directors and Officers.

13. CREDIT RATING:

As on the date of this report, the Credit Rating as provided by CRISIL Rating Limited (A Credit Rating Agency "CRISIL") on the Total Bank Loan Facilities of Heranba Industries Limited are as under:

Long-Term Rating	**CRISIL A/Positive (Reaffirmed)**
Short-Term Rating	**CRISIL A1 (Reaffirmed)**

14. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism/Whistle Policy under which it established a Whistle Blower Policy/Vigil Mechanism.

This policy seeks the support of employees, channel partners and vendors to report Significant deviations from key management policies and report any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior/conduct etc.

The Vigil Mechanism/Whistle Blower policy cover serious concerns that could have grave impact on the operations and performance of the business of Heranba Industries Limited. A Vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns ethical behavior, actual or suspected fraud or violation of the code of conduct mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/or colleagues in general.

The detailed Vigil Mechanism/Whistle Blower Policy of the Company is uploaded on the Company's website may be accessed on the Company's website.

15. CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all senior management personnel in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/ behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of conduct for Board of Directors and Senior Management Personnel". The Code has been posted on the Company's website www.heranba.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard. A Certificate from the Managing Director to this effect form part of this report and annexed as **Annexure-III**.

16. PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of insider trading) Regulations, 2015, the Company has formulated and adopted a Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

The Company is maintaining the Structual Digital Database (SDD) internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database in compliance with SEBI (PIT) Regulations, 2015.

17. CORPORATE GOVERNANCE REPORT:

Your Company maintains the highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

The Board has also evolved and adopted a Code of Conduct as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 based on the principles of good Corporate Governance and Best Management Practices. The Code is available on the Company's website i.e. www.heranba.co.in under "Investors Relation- Corporate Governance" Section.

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance along with the Practising Company Secretary's Certificate confirming compliance with Corporate Governance norms is annexed to this Report.

18. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT ("BRSR"):

The Business Responsibility & Sustainability Report **("BRSR")** for the year under review, as stipulated under SEBI (LODR) Regulations is given separately and forms part of this 32nd Annual Report of the Company.

19. CEO/CFO CERTIFICATION:

In terms of SEBI (LODR) Regulations, the Certificate signed by Mr. Raghuram K. Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer of the Company was placed before the Board of Directors along with Annual Financial Statement for the financial year ended March 31, 2024 at its meeting.

20. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

Heranba Industries Limited is exposed to risks such as Natural Disaster, Occupational health & safety hazards, Supply Chain Risk, Quality of Products, Business dynamics Risks, Business Operations Risks, liquidity risk, Interest rate risk, Credit Risks, Logistic Risks, Pollution Free Environment Risk, Market Risks/ Industry Risks, Human Resource Risks, Disaster Risks, System Risks and Legal Risks, Data Protection Risk, Credit risk and Operational risk that are inherent in the agrochemical Industry.

The Company has adopted the systematic approach to mitigate the risk associatited with the objectives, operations, revenues and regulations.

By strictly following the regulatory norms and Guidelines, the Company effectively manages the risks and has a focused Risk Management monitoring in place.

The Company has a Risk Management Committee to monitor the risk associated with the Company. The said Committee from to time discussed risk and mitigation measure adopted to mitigate the risk. The Committee recommend from time to time Board the necessary measures to mitigate the risk.

A detailed Risk Management Policy is available Company's website www.heranba.co.in.

21. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

22. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY:

During the Year under review the Board has made the total expenditure under CSR of ₹ **4.05 Crore** for FY 2023-24 whereas the total Amount required to be spent was ₹ **4.05 Crore** for the financial year 2023-24. The detailed Report on CSR Activities as per **Annexure-IV**.

23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, Share Purchase Agreement dated November 08, 2023 **("Share Purchase Agreement")** was executed among the Promoter Sellers, Other Selling Shareholders of Daikaffil Chemicals India Limited (**"Daikaffil"**-Target Company) and Mikusu India Private Limited **(Mikusu-Acquirer Company), a wholly owned subsidiary Company of Heranba,** along with Heranba Industries Limited **("Heranba") (Person acting in concert).**

Pursuant to the said Share Purchase Agreement, Mikusu acquired **29,08,719** (Twenty Nine Lakh Eight Thousand Seven Hundred and Nineteen) Equity Shares, which constitutes **48.48%** (Forty Eight point Forty Eight percent) of the Equity and Voting Share Capital of Daikaffil from the Promoter Sellers and Other Selling Shareholders of Daikaffil.

As Mikusu is 100% Wholly owned Subsidiary Company of Heranba and the Mikusu has a defacto control on Daikaffil being the single largest shareholder who has controlling votes at the AGM of the Company. Hence, Daikaffil is considered as the Subsidiary Company of Mikusu and in turn a Step-Down Subsidiary of Heranba Industries Limited.

As on March 31, 2024, the Company has two 100% wholly owned subsidiary companies namely Mikusu India Private Limit and Heranba Organics Private Limited. The Company has one Step-Down Subsidiary Company namely Daikaffil Chemicals India Limited.

A Statement containing the basic financial details of the aforesaid subsidiary companies in Form AOC-I is annexed as **Annexure-V**.

24. DIRECTORS & KMP:

a. Appointment/Re-appointment/Resignation of Directors:

At the ensuring Annual General Meeting, **Mr. Sadashiv K. Shetty (DIN: 00038681)** and **Mr. Raghuram K. Shetty (DIN: 00038703)**, would retire by rotation and being eligible for the re-appointment, offers themselves for re-appointment.

During the year under review, the Non-Executive Directors of the Company had no material pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Details of the Directors seeking appointment/reappointment including a profile of these Directors, are given in the Notice convening the 32nd Annual General Meeting of the Company.

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 164(2) of Companies Act, 2013.

b. Key Managerial Personnel (KMP):

Pursuant to Section 2(51) read with Section 203 of the Companies Act, 2013 read with Rules made thereunder, the following person has been designated as Key Managerial Personnel of the Company under the Companies Act, 2013:

(a) Mr. Sadashiv K. Shetty, Chairman;

(b) Mr. Raghuram K. Shetty, Managing Director;

(c) Mr. Shriraj S. Shetty, Wholetime Director;

(d) Mr. Raunak R. Shetty, Wholetime Director;

(e) Mr. Rajkumar Bafna, Chief Financial Officer;

(f) Mr. Abdul Latif, Company Secretary.

There is no changes among the KMP during the year.

c. Declaration by Independent Directors:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with rules framed thereunder and SEBI (LODR) Regulation.

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

In terms of regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the independent directors, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

d. Annual Evaluation:

The Company has the Evaluation Policy, Remuneration Policy and The criteria for determining qualifications, positive attributes and independence of a director. Based on the above policies and criteria, the Nomination and Remuneration Committee evaluated the performance of Individual directors. The Independent Directors at their separate meeting, also reviewed the performance of the Non-Independent Directors and Board as a whole and also review the performance of the Chairman and further assessed the quality of flow of the information between the Board and Management. In addition to the above evaluation, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its Committees of the Board of Directors. The performance of Individual Director vis-à-vis Board and Committees found satisfactory.

e. Remuneration Policy for the Directors, Key Managerial Personnel and other Employees:

In terms of the provisions of Section 178(3) of the Act, the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personal and other employees. In line with this requirement, the committee along with the approval of the board has revised the said policy.

f. Non-Disqualifications of Directors:

None of the Directors on the Board of the Company for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. Practising Company Secretary's Certificate confirming the above is annexed herewith as **Annexure-VI**.

25. AUDITORS:

a. Statutory Auditor:

The Members of the Company at the 30th Annual General Meeting ('AGM') held on Wednesday, July 27, 2022 approved the appointment of Messrs. Natvarlal Vepari & Co., Chartered Accountants (Registration No. 106971W), as the Statutory Auditor of the Company for a period of 5 (five) years from the conclusion of 30th Annual General Meeting ("AGM") till the conclusion of the 35th (Thirty Fifth) AGM.

b. Cost Records & Cost Auditors:

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records & Audit) Rules, 2014, the Company maintains the cost records & accounts in respects of products manufactured by the Company which needs to be audited by the Cost Auditor.

In compliance to the above, the Board of Directors has appointed Mr. Paresh Jaysih Sampat, Cost Accountants, as the Cost Auditors of the Company for the financial year ended March 31, 2024. As required by the Act, the remuneration of the Cost Auditor has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

c. Secretarial Auditors & Secretarial Audit Report:

In compliance of the provisions of Section 204 of the Companies Act, 2013, your Directors have appointed M/s. K. C. Suthar & Co., Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year under review.

The Secretarial Audit Report issued in the Form MR-3 given by the Company secretary in practice is annexed with the report as **Annexure-VII**.

The Secretarial Audit Report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

26. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

a. Auditors Qualification:

There were no qualifications, reservations or adverse remarks made by the Auditor in his report made for the financial year under review.

b. Secretarial Audit Report By Practicing Company Secretary:

There were no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report made for the financial year under review.

c. Details of Fraud reported by Auditors:

There were no frauds which are reported to have been committed by employees or officers of the Company. The statutory auditors of the Company have vide their report of even date confirmed that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

27. OTHER DISCLOSURE:

a. Meetings:

The details of the various meetings of the Board and its committees are provided in the Corporate Governance Report.

b. Committees of the Board:

The details of the various committes constituted by the Board are provided in the Corporate Governance Report.

c. Change in the nature of business:

There has been no change in the Nature of Business during the year under review. Further no material changes or commitments have occurred between the end of the financial year and the date of this report which affect the financial statements of the Company.

d. Material Changes and Commitments, If Any affecting the Financial Position of the Company:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

e. Deposits:

The Company has neither accepted nor renewed any deposits from public during the year nor has any outstanding Deposits in terms of Section 73 of the Companies Act, 2013. Further there were no Deposits which are not in compliance of the requirements of Chapter V of the Act.

f. Loans, Guarantees and Investments:

Details of Loans, Guarantees and Investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

g. Annual Return:

The extracts of Annual Return [MGT-9] pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 has been placed on the website of the Company and can be accessed at www.heranba.co.in.

h. Particulars of employees:

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-VIII**.

i. Status of Listing Fees:

The Shares of the Company are continued to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

Listing Fees till date have been duly paid to BSE and NSE, where Company's shares are Listed.

j. Disclosure pursuant to Section 197(14) of the Companies Act, 2013 and rules made thereunder:

The Managing Director and Whole-Time Directors except Mr. Raunak R. Shetty of the Company are not in receipt of any remuneration and/or commission from any subsidiary Company, as the case may be.

Mr. Raunak R. Shetty, Whole-Time Director of the Company are in recipt of remuneration of ₹ 2 Lakh Per month from Mikusu India Private Limited, a wholly owned subsidiary Company of your Company. The above remuneration are in accordance with the provision of the Companies Act, 2013.

k. Registrar and Share Transfer Agent:

M/s Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp Vasant Oasis, Makwana Road, Andheri (East), Mumbai-400 059, Tel No.: +91 22 6263 8200 is the Registrar and Share Transfer Agent of the Company for the physical and Demat shares. The members are requested to contact directly for any requirements.

l. Disclosure with respect to Unclaimed Suspense Account:

In terms of Regulation 39 of the Listing Regulations, details of the equity shares lying in the Unclaimed Suspense Account are as follows:

Particulars	No. of shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 01, 2023	1	23
Less: Number of shareholders who approached the Company for transfer of shares	0	0
Add: Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	0	0
Less: Number of shares transferred to IEPF Authority during the year	0	0
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2024	1	23

The voting rights on the shares in the suspense account as on March 31, 2024 shall remain frozen till the rightful owner claims the shares.

m. Complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment:

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. No case of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment was reported during the FY 2023-24. The Company has a policy on sexual harassment under which employees can register their complaints against sexual harassment. The policy ensures a free and fair enquiry with clear timelines.

n. Material Orders passed by Regulators, Courts or Tribunal:

There were no significant or material orders passed by the Regulators, Courts or Tribunal which impact the going concern status of the Company and the Company's operations in future.

o. Research and Development and Quality Control:

The activities of R & D consist of improvement in the process of existing products, decrease of effluent load and to develop new products and by-products.

The management is committed to maintain the quality control and it is the strength of the Company. All raw material and finished products and materials at various stages of process pass through stringent quality check for the better result and product.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. Conservation of Energy and Technology Absorption:

Power and fuel Consumption:

The Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 require the disclosure of particulars regarding Conservation of Energy in Form-A and Technology Absorption in Form-B as prescribed by the Rules.

The details are as follows:

Particulars	31-03-2024	31-03-2023
(1) Electricity		
Purchased units	2,90,51,047	29,9,13,826
Total Amount (₹ in Crore)	28.85	27.22
Rate per Unit (in ₹)	9.93	9.10
(2) Own Generator		
Fuel (Diesel) units	55,84,488	86,70,528
Total Amount (₹ in Crore)	36.47	55.49
Rate per Liter (in ₹)	65.30	64.00

b. TECHNOLOGY ABSORPTION:

The technology required for the Company is available indigenously.

c. FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ in Crore)

Particulars	31-03-2024	31-03-2023
Earnings	423.47	534.70
Outgo	58.30	165.02

29. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as of March 31, 2024.

31. OTHER DISCLOSURES:

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

a. issue of equity shares with differential voting rights as to dividend, voting or otherwise;

b. issue of shares (including sweat equity shares) to employees of the Company under any scheme;

c. raising of funds through preferential allotment or qualified institutional placement;

d. instance of one-time settlement with any bank or financial institution.

32. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment anddedication contributed greatly to achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For **Heranba Industries Limited**

	Sadashiv K. Shetty	**Raghuram K. Shetty**
Place: Mumbai	Chairman	Managing Director
Dated: May 27, 2024	DIN: 00038681	DIN: 00038703

Annexure-I

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

The objective of this Policy document is to articulate HERANBA INDUSTRIES LIMITED'S Dividend Distribution Policy (DDP). This Policy applies to all types of Dividend declared or recommended by the Board of Directors of the Company and seeks to conform to the requirements of Section 123 of the Companies Act, 2013, the notified rules thereof and other such provisions.

2. PHILOSOPHY

At HERANBA INDUSTRIES LIMITED we respect, and are committed to, our role towards shareholders and meeting our obligations to the communities in which we do business. We believe that sustainable growth can be achieved by creating wealth and jobs, developing useful skills, and investing time and money in people. HERANBA INDUSTRIES LIMITED aims to share its prosperity with the shareholders by way of declaring dividend subject to liquidity and growth requirement.

3. THE REGULATORY FRAMEWORK

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 Listed Companies in India as per Market Capitalization as on the preceding Financial Year shall formulate a dividend distribution policy.

HERANBA INDUSTRIES LIMITED falls within the list of Top 1000 Listed Companies.

4. DEFINITIONS

Unless repugnant to the context:

4.1 "Act" shall mean the Companies Act, 2013 including the Rules made thereunder.

4.2 "Company or HERANBA INDUSTRIES" shall mean Heranba Industries Limited.

4.3 "Chairman" shall mean the Chairman of the Board of Directors of the Company.

4.4 "Board" or "Board of Directors" shall mean Board of Directors of the Company.

4.5 "Dividend" shall mean Dividend as defined under Companies Act, 2013 or SEBI Regulations.

4.6 "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any statutory modifications or re-enactments thereof for the time being in force.

5. POLICY

5.1 Frequency of payment of dividend:

5.1.1 Heranba Industries Limited believes in rewarding its shareholders as and when the funds are available for distribution as dividend and generally strive to recommend Final Dividend to the Members at the Annual General Meeting of the Company.

5.2. Internal and external factors that would be considered for declaration of dividend:

5.2.1 Heranba Industries Limited considers several Internal and External Factors before deciding declaration or recommendation of dividend.

5.2.2 The Internal Factors are adequacy of profits for last three years and likely profits for next year, allocation of funds towards capital expenditure and working capital requirements.

5.2.3 The External Factors that would impact dividend payout are alternative investment opportunities, interest rate on surplus funds, taxation on distribution of dividend and dividend payout ratios of comparable companies.

5.3. The financial parameters that will be considered while declaring dividends:

5.3.1 In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and Capital Investments, which are vital to future business expansion.

5.3.2 After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.

5.4. The circumstances under which the shareholders can or cannot expect dividend:

In an event where Company has undertaken a significant project requiring higher allocation of capital or in event where the Company's profits are inadequate or Company makes losses, the Company would like to use the Company's reserves judiciously and not declare dividend or declare dividend lower than its normal rate of dividend.

5.5. Policy as to how the retained earnings will be utilized:

5.5.1 The Company would like to retain the balances in Reserves and Surplus to give the required strength to the balance sheet for exploring leverage options for supporting growth.

5.5.2 The Company would be very cautious in declaring divided out of past profits and reserves.

5.6. Transfer of Profits to Reserves:

The Company will not transfer any amount to reserves unless there is statutory requirement.

5.7. Provisions regarding class of shares:

Currently, the Company has issued only Equity Shares and this Policy shall be applicable to Equity Shares. As and when the Company issues other kind of shares, the Board shall amend this

Policy along with Rationale at the time or before issue of other class of shares.

6. PROCEDURE

6.1 The Board of Directors of the Company will analyze all the parameters and recommend appropriate dividend.

6.2 The Company Secretary & Compliance Officer of the Company shall ensure compliance of Insider Trading Rules of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.3 The Board of Directors shall approve the declaration or recommendation of Dividend after ensuring compliance of Act, SEBI Regulations and this Policy.

6.4 The Company shall ensure compliance of provisions of Act, SEBI Regulations and this Policy in relation to dividend.

7. DISTRIBUTION OF DIVIDEND

A) Periodicity

On Completion of Financial Year:

The Board of Directors of the Company may recommend a Dividend for respective financial year and may be declared in the Annual General Meeting.

B) Dividend Entitlement

The members, whose name appear in the register of members as on the record date/Book Closure, shall be entitled for the dividend.

C) Mode of Payment

The payment of the dividend would be in cash:

i) Through electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. for making payment of dividend; OR

ii) Through issuance of 'payable-at-par' warrants/cheques/ demand draft, in case where bank details are not available or the electronic payment instructions have failed or have been rejected by the bank.

Transfer to Unpaid Dividend Account:

(1) Where a dividend has been declared by a Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(2) The Company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the web-site of the Company, if any, and also on any other web-site approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

D) Transfer to IEPF

The dividend remained unpaid and unclaimed for a period of 7 years (as per the provisions of Sections 124(5) of the Companies Act, 2013) shall be transferred to Investors Education and Protection Fund set up by the Government in that regard.

8. GENERAL

8.1. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs and/or Securities Exchange Board of India from time to time, on the subject matter.

8.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

8.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Annexure-II

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of material contracts or arrangement or transactions with related parties at arm's length basis during the Financial Year ended March 31, 2024:

(a)	Name(s) of the related party	Mrs. Shreya M. Shetty	Mr. Roshan R Shetty
(b)	Nature of Relationship	Relative of Director	Relative of Director
(c)	Nature of contracts/arrangements/transactions	Professional Charges	Remuneration
(d)	Duration of the contracts/arrangements/transactions	On going	On going
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 30.00 Lakhs per annum	₹ 30.00 Lakhs per annum
(f)	Date(s) of approval by the Board	30.05.2023	30.05.2023
(g)	Date(s) of Approval by Shareholders (if any)	N.A.	N.A.
(h)	Amount paid as advances, if any	Nil	Nil

Details of material contracts or arrangement or transactions with related parties at arm's length basis during the Financial Year ended March 31, 2024:

(a)	Name(s) of the related party	**Mikusu India Private Limited**	
(b)	Nature of Relationship	**Wholly Owned Subsidiary and director of the Company is director in this Company**	
(c)	Nature of contracts/arrangements/transactions	Inter Corporate Deposit ("ICD") interest received Sale of Goods & Service Purchase of Goods & Service Leasing of Property	Inter-Corporate Deposit ("ICD")
(d)	Duration of the contracts/arrangements/transactions	ICD - 5 years Sale of Goods & Services – On going Purchase of Goods & Services – On going Leasing-5 years	ICD-5 years
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	ICD - ₹ 25 Crores @ 9% p.a. Sale of Goods & Services –₹ 100 Crores for one Year Purchase of Goods & Services – ₹ 20 Crores for one Year Leasing - ₹ 50 Lakhs per year	₹ 10.00 Cr for ICD with 9% interest p.a.
(f)	Date(s) of approval by the Board	May 30, 2023*	August 14, 2023
(g)	Date(s) of Approval by Shareholders(if any)	N.A.	N.A.
(h)	Amount paid as advances, if any:	Nil	Nil

* ICD of ₹ 25 Crores was approved by the Board/Audit Committee from time to time at their meeting held during last previous year. Further on May 30, 2023, the Board took the note of the approval of total ICD of ₹ 25 Crores to Mikusu India Private Limited.

Details of material contracts or arrangement or transactions with related parties at arm's length basis during the Financial Year ended March 31, 2024:

(a)	Name(s) of the related party	**Heranba Organics Private Limited**			
(b)	Nature of Relationship	**Wholly Owned Subsidiary and director of the Company is director in this Company**			
(c)	Nature of contracts/arrangements/ transactions	Inter Corporate Deposit ("ICD") Interest Received Sale of Goods & Service Purchase of Goods & Service Leasing of Property Sale of Fixed Assets	Inter-Corporate Deposit ("ICD")	Inter-Corporate Deposit ("ICD")	Corporate Guarantee
(d)	Duration of the contracts/ arrangements/transactions	ICD - 5 years Sale of Goods & Services – On going Purchase of Goods & Services – On going Leasing - 5 years	ICD-5 years	ICD-5 years	ongoing
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	ICD - ₹ 100 Crores @ 9% p.a. Sale of Goods & Services – ₹ 40 Crores for one Year Purchase of Goods & Services – ₹ 10 Crores for one Year Leasing- ₹ 3 Crores as Rent per year Sale of Fixed Assets - Upto ₹ 40.00 Crores	₹ 100.00 Crore for ICD with 9% interest p.a.	₹ 100.00 Crore for ICD with 9% interest p.a.	Upto ₹ 75 Crore
(f)	Date(s) of approval by the Board	May 30, 2023**	August 14, 2023	November 02, 2023	November 08, 2023 and February 09, 2024
(g)	Date(s) of Approval by Shareholders (if any)	N.A.	N.A.	N.A.	-
(h)	Amount paid as advances, if any	Nil	Nil	Nil	-

** ICD of ₹ 100 Crores was approved by the Board/Audit Committee from time to time at their meeting held during last previous year. Further on May 30, 2023, the Board took the note of the approval of total ICD of ₹ 100 Crores to Heranba Organics Private Limited.

Details of material contracts or arrangement or transactions of wholly owned subsidiary companies with related parties at arm's length basis during the Financial Year ended March 31, 2024:

(a)	Name(s) of the party entering into transaction	Mikusu India Private Ltd., wholly owned subsidiary Company	Mikusu India Private Ltd., wholly owned subsidiary Company	Mikusu India Private Ltd., wholly owned subsidiary Company
(b)	Name of the counterparty	Raunak R. Shetty	Vanita R. Shetty	Sujata S. Shetty
(c)	Nature of Relationship	Relative of Director	Relative of Director	Relative of Director
(d)	Nature of contracts/arrangements/ transactions	Remuneration	Remuneration	Remuneration
(e)	Duration of the contracts/arrangements/ transactions	On going	On going	On going
(f)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 24.00 Lakh per annum	₹ 24.00 Lakh per annum	₹ 24.00 Lakh per annum
(g)	Date(s) of approval by the Board	30.05.2023	30.05.2023	30.05.2023
(h)	Date(s) of Approval by Shareholders (if any)	N.A.	N.A.	N.A.
(i)	Amount paid as advances, if any	Nil	Nil	Nil

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Annexure-III

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 26 OF SEBI (LODR) REGULATIONS, 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial year ended on March 31, 2024.

For **Heranba Industries Limited**

Raghuram K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Annexure-IV

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company CSR policy and projects or programs:

The Board of Directors has formed the CSR Committee to look after CSR activities. The Company has framed the policy which is made available at the website of Company www.heranba.co.in. This CSR Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large. It is Company's conscious strategy to design and implement CSR programs, that encompass the disadvantaged sections of society. This Policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons. During the year under review, the Company carried out the various programs or projects which are given herein below.

2. Composition of the CSR Committee:

Name of the Member	Designation/Nature of Directorship	No. Meetings of held	No. Meetings of Attended
Mulky V. Shetty	Chairman/ID*	1	1
Sadashiv K. Shetty	Member/WTD**	1	1
Ganesh N. Vanmali	Member/ID*	1	1

* ID means Independent Director

** WTD means Whole-Time Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

www.heranba.co.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Crore)	Amount required to be set-off for the financial year, if any (₹ in Crore)
Not Applicable			

6. Average net profit of the Company for last three financial years as per Section 135(5): ₹ 202.56 Crore

7. (a) Two percent of average net profit of the Company as per Section 135(5): **₹ 4.05 Crore**

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 4.05 Crore**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
	----	----	----	----	----

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of Project	Item from the list of activities in schedule VII of the Act	Local Area	Location of Project		Amount spent for the Project (₹ in Crore)	Mode of implementation – Direct (Yes/No)	Mode of Implementation through implementing agency	
				State	District			Name	CSR Registration Number
1	Vocational Training to underprivileged students	Cl. No. (ii)	Yes	Rajasthan & Gujarat	Bhilwada, Vapi, etc	1.25	No	Brijmohan Sapoot Kala Sanskriti Sansthan,	CSR00024992
2	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	0.01	No	Comfort at 60 Charitable Trust	CSR00051266
3	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	0.20	No	Comfort at 60 Charitable Trust	CSR00051266
4	Educational Development	Cl. No. (ii)	Yes	Maharashtra	Mumbai	0.02	No	Bombay Bunts Association	CSR00008199
5	Sewing Machine to Poor and Needy widows	Cl. No. (i)	Yes	Maharashtra	Mumbai	0.01	No	Sumangal Berojgar Samajik Sanstha	CSR00034273
6	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	1.50	No	Comfort at 60 Charitable TRust	CSR00051266
7	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	0.07	No	Comfort at 60 Charitable Trust	CSR00051266
8	Vocational Training to underprivileged students	Cl. No. (ii)	Yes	Uttar Pradesh	Mathura	1.25	No	Jan Jagrati Sevarth Sanstha	CSR00006903
9	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	0.04	No	Comfort at 60 Charitable Trust	CSR00051266
10	Vocational Training to underprivileged students	Cl. No. (ii)	Yes	Uttar Pradesh	Mathura	1.00	No	Jan Jagrati Sevarth Sanstha	CSR00006903
11	Contribution to Police Welfare Function	Cl. No. (vi)	Yes	Gujarat	Sarigam	0.01	Yes	N.A.	N.A.
12	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	0.03	No	Comfort at 60 Charitable Trust	CSR00051266
13	Green Community Toilet	Cl. No. (i)	Yes	Gujarat	Vapi	0.01	No	Comfort at 60 Charitable Trust	CSR00051266
Total						**4.05**			

(d) Amount spent in Administrative Overheads: **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **4.05 Crore**

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 4.05 Crore
(ii)	Total amount spent for the Financial Year	₹ 4.05 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in Crore)	Amount spent in the reporting Financial Year (₹ in Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (₹ in Crore)
				Name of the Fund	Amount (₹ in Crore)	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (₹ in Crore)	Amount spent on the project in the reporting Financial Year (₹ in Crore)	Cumulative amount spent at the end of reporting Financial Year (₹ in Crore)	Status of the project - Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

Not Applicable

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5):

Not Applicable

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Annexure-V

Form AOC-1

As on March 31, 2024

(Pursuant to first provision to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate or joint ventures companies

PART - A SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

(1)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Mikusu India Private Limited U24299MH2022PTC380276
2	The date since when subsidiary was acquired/incorporated	April 09, 2022
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR in Lakh
5	Share capital	₹ **5,00,000** (Rupees Five Lakh) divided into 50,000 Equity shares of ₹10/- each
6	Reserves and surplus	(1,401.78)
7	Total assets	10,357.93
8	Total liabilities	10,357.93
9	Investments	698.09
10	Turnover	9,290.82
11	Profit before taxation	(1,634.48)
12	Provision for taxation/Deferred tax	(407.96)
13	Profit after taxation	(1,226.50)
14	Proposed dividend	0.00
15	Extent of shareholding (in percentage)	**100%**

(2)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Heranba Organics Pvt. Ltd. U24110MH2022PTC389547
2	The date since when subsidiary was acquired/incorporated	August 29, 2022
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR in Lakh
5	Share capital	₹ **10,00,000** (Rupees Ten Lakh) divided into 1,00,000 Equity shares of ₹ 10/- each
6	Reserves and surplus	(1,615.33)
7	Total assets	34,718.56
8	Total Liabilities	34,718.56
9	Investments	0.00
10	Turnover	27.25

(2) (Contd.)

Sr. No.	Particulars	Details
11	Profit before taxation	(1,662.22)
12	Provision for taxation/Deferred tax	(179.98)
13	Profit after taxation	(1,482.24)
14	Proposed Dividend	0.00
15	Extent of shareholding (in percentage)	**100%**

(3)

Sr. No.	Particulars	Details
1	Name of the step down subsidiary Company	Daikaffil Chemicals India Limited L24114MH1992PLC067309
2	The date since when Step down subsidiary Company was acquired/ incorporated	January 09, 2024
3	Reporting period for the Associates Company concerned, if different from the holding Company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Associates Company	INR in Lakh
5	Share capital	**₹ 6,00,00,000** (Rupees Six Crore only) divided into 60,00,000 Equity shares of ₹ 10/- each
6	Reserves and surplus	453.72
7	Total assets	1,178.27
8	Total Liabilities	1,178.27
9	Investments	0.00
10	Turnover	0.00
11	Other Income	71.11
12	Profit before taxation	(189.28)
13	Provision for taxation/Deferred tax	0.94
14	Profit after taxation	(190.22)
15	Proposed Dividend	0.00
16	Extent of shareholding (in percentage)	**48.48%**

Notes: The following information shall be furnished at end of the statement:

1. There is no subsidiaries which have been liquidated or sold during the year.

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Raghuram K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Annexure-VI

CERTIFICATE ON NON DISQUALIFICATIONS OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

For the Financial year 2023-24

To,
The members
Heranba Industries Limited
Plot No.: 1504/1505/1506/1 GIDC,
Phase-III, Vapi, Valsad,
Gujarat-396195, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HERANBA INDUSTRIES LIMITED having CIN: L24231GJ1992PLC017315** and having registered office at Plot No. 1504/1505/1506/1 GIDC, Phase-III, Vapi, Valsad, Gujarat 396195, India and having Corporate office at 2nd floor, Fortune Avirahi, "A" Wing, Jain Derasar Road, Borivali - West, Mumbai - 400092 MH, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities.

K. C. SUTHAR & CO.

Sr. No.	Name of Director	Designation	DIN	Original Date of Appointment in Company*
1	Sadashiv Kanyana Shetty	Chairman	00038681	01/06/2018
2	Raghuram Kanyan Shetty	Managing Director	00038703	01/06/2018
3	Raunak Raghuram Shetty	Whole-Time Director	08006529	04/12/2017
4	Shriraj Sadashiv Shetty	Whole-Time Director	06609014	27/07/2022
5	Mulky Vishwanatha Shetty	Independent Director	08168960	09/07/2018
6	Anilkumar Mohanraj Marlecha	Independent Director	08193193	31/08/2018
7	Ganesh Narayan Vanmali	Independent Director	07833853	31/08/2018
8	Reshma Dagdu Wadkar	Independent Director	09394615	11/11/2021

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K.C. Suthar & Co.**
Company Secretaries

K.C. Suthar
Proprietor
COP: 4075
Peer Review No.: 1357/2021
UDIN: F005191F000455949

Place: Mumbai
Dated: May 27, 2024

Annexure-VII

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2024

HERANBA INDUSTRIES LIMITED
(CIN: L24231GJ1992PLC017315)

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
Heranba Industries Limited
Vapi - 396195, Gujarat

We have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Heranba Industries Limited [CIN: L24231GJ1992PLC017315] (hereinafter called as "the Company") having its registered office situated at Plot No. 1504/1505/1506/1 GIDC, Phase-III, Vapi, Valsad – 396195, Gujarat. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on March 31, 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

   a. The Company was not required to complied with the provisions of the Companies Act, 2013 and Foreign Exchange Management Act and other applicable acts and rules and regulations made there under, as the Company **has not invested in its Wholly Owned Subsidiary based in CHINA, named**: **Chang Zhou Heranba Crop Science and Technology Company Limited.**

v. As the Shares of M/s Heranba Industries Limited having CIN: L24231GJ1992PLC017315 are listed **on recognised stock exchanges at BSE and NSE**, the following Regulations and Guidelines prescribed under Securities Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company:

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable as there was no reportable event during the financial year under review**;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021; **Not applicable as there was no reportable event during the financial year under review**;

   e. The Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008; **Not applicable as there was no reportable event during the financial year under review**;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client. **Not applicable as the Company is not a RTA**;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable as there was no reportable event during the financial year under review**;

   h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **Not applicable as there was no reportable event during the financial year under review**;

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Management has identified and confirmed the following laws as being specifically applicable to the Company:

1. Financial and Other Laws applicable to the Company:

a) The Income Tax Act, 1961;

b) The Goods and Service Tax Act ("GST");

c) Trade Marks Act, 1999;

d) The Export (Quality Control And Inspection) Act, 1963;

e) Consumer Protection Act, 2019;

f) Bureau of Indian Standards Act, 2016;

g) The MSME Act;

h) Foreign Trade (Development and Regulation) Act, 1992.

2. Industry Specific Laws and Regulations applicable to the Company:

a) The Insecticides Act, 1968;

b) The Insecticides Rules, 1971;

c) The Draft Pesticides Management Bill, 2017;

d) The Legal Metrology Act, 2009;

e) The Legal Metrology (Packaged Commodities) Rules, 2011;

f) The Petroleum Act, 1934;

g) The Solvent, Raffinate and slop (Acquisition, Sale, Storage And Prevention Of Use In Automobile), Order, 2000;

h) The Indian Explosives Act, 1884;

i) The Poisons Act, 1919;

j) The Indian Boilers Act, 1923;

k) Shop And Establishment Act.

3. Environmental Laws and Regulations applicable to the Company:

a) Environment Protection Act, 1986;

b) Environment (Protection) Rules, 1986;

c) The Pollution Control Act, 1986;

d) Air (Prevention and control of Pollution) Act, 1981;

e) Water (Prevention and control of Pollution) Act, 1974;

f) Hazardous and other wastes (Management and Transboundary Movements) Rules, 2016;

g) Water (Prevention & Control of Pollution) Cess Act, 1977;

h) Water (Control of Pollution) Cess Rules, 1978;

i) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;

j) The Chemical Accident (Emergency Planning, Preparedness And Response) Rules, 1996;

k) Public Liability Insurance Act, 1991.

4. Labour Law and Regulations applicable on the Company:

a) The Factories Act, 1948;

b) Contract Labour (Regulation & Abolition) Act, 1970;

c) Industrial Employment (standing orders) Act, 1946;

d) POSH Act- prevention of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013;

e) Industrial (Development and Regulation) Act, 1951;

f) Minimum wages Act,1948;

g) The payment of wages Act, 1936;

h) Employees' provident funds Act, 1952;

i) Employees state insurance Act, 1948;

j) Payment of Bonus Act, 1965;

k) Payment of Gratuity Act, 1976;

l) Equal Remuneration Act, 1976;

m) Professional tax Act;

n) Labour Welfare Fund;

o) National and festival holidays Act;

p) Maternity Benefit Act, 1961;

q) The Child and Adolescent Labour (prohibition & regulation) Act, 1986;

r) The Employees' Compensation Act, 1923;

s) Inter State Migrant Workmen Act, 1979;

t) Labour Laws (simplification of procedure for furnishing returns & maintaining registers by certain establishments) Act, 1988;

u) Industrial Disputes Act, 1947.

vii. The Company has complied with the applicable rules, regulation and guidelines issued by the regulatory bodies from time to time with respect to **Import And Export of goods and materials**.

We have also examined the compliance with the applicable clauses of the following:

a. Secretarial Standards with respect to Meetings of Board of Directors (SS-1), General Meetings (SS-2), Dividend (SS-3) issued by The Institute of Company Secretaries of India (ICSI) as amended from time to time;

b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

i. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors;

ii. Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;

iii. All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that:

Based on the detailed record provided on compliance mechanism and pursuant to Section 123 of the Companies Act 2013 the Company has declared **Final Dividend** for the Financial Year 2022-23 at the 31st Annual General Meeting (AGM) held on August, 24, 2023 and complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards as provided under the Act.

We further report that:

Based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

a. As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary if any.

We further report that:

During the financial year under review, following events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred: **Nil**

This Report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

For **K.C. Suthar & Co.**
Company Secretaries

K.C. Suthar
Proprietor
M. No: FCS-5191
Peer Review No: 1357/2021
UDIN: F005191F000455828

Place: Mumbai
Dated: May 27, 2024

Annexure A

The Members,
Heranba Industries Limited
Vapi - 396195, Gujarat

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

1. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **K.C. Suthar & Co.**
Company Secretaries

K.C. Suthar
Proprietor
M. No: FCS-5191
Peer Review No: 1357/2021
UDIN: F005191F000455828

Place: Mumbai
Dated: May 27, 2024

Annexure-VIII

DISCLOSURE REQUIRED UNDER SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2024:

Name of Director	Nature of Directorship	Ratio to median* Remuneration of Employees
Sadashiv K. Shetty	Chairman	33.40
Raghuram K. Shetty**	Managing Director	71.09
Raunak R. Shetty	Whole-Time Director	06.42
Shriraj S. Shetty	Whole-Time Director	06.42

* Median salary of employees during

FY 2023-24: ₹ 4.67 Lakh p.a

FY 2022-24: ₹ 4.31 Lakh p.a

FY 2021-22: ₹ 4.06 Lakh p.a

FY 2020-21: ₹ 4.00 Lakh p.a

All the Non-Executive Independent Directors were paid only sitting fees for attending the Board and Committee meetings. The Sitting fees was paid inaccordance with the Companies Act.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2023-24:

Name of Director	Nature of Directorship	% Increase (decrease) in the Remuneration
Sadashiv K. Shetty	Chairman	10%
Raghuram K. Shetty**	Managing Director	10%
Raunak R. Shetty	Whole-Time Director	Nil
Shriraj S. Shetty	Whole-Time Director	Nil
Rajkumar Bafna	Chief Financial Officer	9%
Abdul Latif	Company Secretary	9%

All the Non-Executive Independent Directors were paid only sitting fees for attending the Board and Committee meetings. The Sitting fees was paid in accordance with the Companies Act.

iii) The percentage increase in the median remuneration of employees in the Financial Year 2023-24: 8.35%

iv) The number of permanent employees on the rolls of Company as on March 31, 2024: 877

Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2023-24 and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentile increase in salaries of employees other than Managerial Personnel is higher than average percentile increase in the managerial remuneration.

v) The Company affirms that the remuneration is as per the Remuneration Policy of the Company:

vi) As per Rule 5(3) of the Companies (Appointment and Remuneration) Rules, 2014, employees who draw salary exceeding the limit of ₹ 1.02 Crore is as follows:

There were no employees other than the followings who were in receipt of remuneration in excess of above specified limit during the year 2023-24:

Name & Age	Designation	Remuneration p.a. (₹ in Crore)	Qualification/ Experience	Date of Joining	Previous Employment & Designation	Percentage of shares held	Relation to any Director or Manager
Sadashiv K. Shetty (70 Years)	Chairman	1.56	Bachelor's (physics and chemistry) and Master's (chemistry) degree Having experience of more than three (3) decades in agrochemicals industry	Since September 1994	Previously associated with Sudarshan Chemical Limited, Gharda Chemical Limited, Hoechst Pharmaceuticals and Nirlon Limited	18%	Brother: Raghuram K. Shetty Son: Shriraj S. Shetty
Raghuram K. Shetty (65 Years)	Managing Director	3.32	Bachelor's degree in economics, Diploma in export and import management Having experience of more than three (3) decades in agrochemicals industry	Since September 1994	Own Business	29.77%	Brother: Sadashiv K. Shetty Son: Raunak R. Shetty

**Remuneration of Raghuram K. Shetty includes the commission. The Commission was paid in accordance with the Companies Act.

Report on Corporate Governance

CHAPTER - I

PHILOSOPHY

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

Corporate governance is about commitment to values and about the ethical business conduct. The commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all its stakeholders.

Our endeavour is to adopt the best governance and disclosure practice by providing the timely and accurate information regarding the financial situation, performance, ownership and governance of the Company. We believe that the good corporate governance practices, is a key driver to sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

Your Company has fulfilled all the existing guidelines prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

CHAPTER - II

BOARD OF DIRECTORS

A) Composition, category of directors and their other directorship as on March 31, 2024:

The Board has an optimum combination of Executive Directors and Non-Executive Directors including Woman Directors. As on March 31, 2024, the Board comprises 8 (Eight) Directors, out of which 4 (Four) are Non-Executive Directors and 4 (Four) are Executive Directors. All 4 (Four) Non-Executive Directors are Independent Directors (including one Woman Independent Director). Out of the 4 (Four) Executive Directors, 1 (one) is the Executive Chairman, and 1 (one) is the Managing Director. All the 4 (Four) Independent Directors are free from any business or other relationship that could materially influence their judgement. All the Independent Directors satisfy the criteria of Independence as defined under the Companies Act,2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Company's Board is a Director in more than 10 (Ten) Public Limited Companies (including "Heranba Industries Limited") or is a Member of more than 10 (Ten) Board Committees (Committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 Board Committees as on March 31, 2024.

Composition of Board as on March 31, 2024:

Sr. No.	Category	Name of Director	Designation
1.	Promoter & Promoter Group	Sadashiv K. Shetty	Whole-Time Director designated as Executive Chairman
		Raghuram K. Shetty	Managing Director
		Raunak R. Shetty	Whole-Time Director designated as Executive Director
		Shriraj S. Shetty	Whole-Time Director designated as Executive Director
2.	Non Promoter (Independent)	Mulky V. Shetty	Independent Director
		Anilkumar M. Marlecha	Independent Director
		Ganesh N. Vanmali	Independent Director
		Reshma D. Wadkar	Independent Director (Woman Director)

Details of Directorship and Committee membership in Companies as on March 31, 2024:

Name of Directors	No. of Directorship in Unlisted Companies	No. of Directorship in Listed Companies	No. of Membership position in Committees of Listed Companies	No. of Chairmanship position in Committees of Listed Companies
Sadashiv K. Shetty	4 (Four)	2 (Two)	Nil	Nil
Raghuram K. Shetty	4 (Four)	2 (Two)	2	Nil
Raunak R. Shetty	3 (Three)	1 (One)	Nil	Nil
Shriraj S. Shetty	3 (Three)	1 (One)	Nil	Nil
Mulky V. Shetty	Nil	1 (One)	1 (One)	Nil
Anilkumar M. Marlecha	Nil	1 (One)	1 (One)	1 (One)
Ganesh N. Vanmali	1 (One)	1 (One)	2	1 (One)
Reshma D. Wadkar	Nil	1 (One)	1 (One)	Nil

Note:

1. Directorship, Committee Membership/Chairmanship is inclusive of Heranba Industries Limited.
2. Only Audit Committee and Stakeholders' Relationship Committees are considered.

No. of Shares and convertible instruments held by Directors as on March 31, 2024:

Name of Directors	Designation	No. of Equity Shares held
Sadashiv K. Shetty	Chairman	72,01,796
Raghuram K. shetty	Managing Director	1,19,11,446
Raunak R. shetty	Executive Director	6,36,250
Shriraj S. Shetty	Executive Director	8,42,500
Mulky V. Shetty	Independent Director	1
Anilkumar M. Marlecha	Independent Director	Nil
Ganesh N. Vanmali	Independent Director	Nil
Reshma D. Wadkar	Independent Director	Nil

B) Key Skill/Expertise/Competence of The Board:

Given below are the key skills/expertise/competence identified by the Board of Directors which are required by them in the context of the business and sector of the Company to function effectively:

Skills/Expertise/ Competence	Description
Business Leadership & Operations	Deep knowledge of the Agrochemical Industry to provide important insights and perspectives to the Board on the Company's commercial, strategic, manufacturing, legal and other functions. Leadership experience resulting in a practical understanding of the Company's processes, developing talent, succession planning and driving the long term growth strategy of the Company.
Risk Management & Governance	In depth knowledge and understanding of business risks to provide insights and perspective to the Board on Enterprise risk. Develop highest levels of governance practices, provide insights about maintaining Board and management accountability and to protect stakeholders interest.
Finance & Accounting	Provide financial expertise to the Board, including an understanding and analysis of financial statements, corporate finance, accounting and capital markets.
Business Expertise	In depth understanding of the Agrochemical operating and business environment, market access and healthcare solutions. Respond to change with agility, optimism and innovation. Sound knowledge of Business Technology, Digital Marketing, Strategic Development, Public Affairs, etc.

C) Skills/Expertise/Competence of Directors:

Name and Designation of the Directors	Qualification	Experience	Skills/Expertise/Competence
Sadashiv K. Shetty (Chairman)	Bachelor's degree (Physics and Chemistry) Master's Degree (Chemistry)	More than 3 decades	Business Leadership & Operations, Risk Management & Governance, Business Expertise, Strategic Planning, General Management, Functional & Managerial Experience Chemical Industry Expert, Manufacturing, Research & Development etc.
Raghuram K. Shetty (Managing Director)	Bachelor's degree in Economics Diploma in Export and Import Management Commercial Diploma from Department of Education, Bureau of Government Examination.	More than 3 decades	Business Leadership & Operations, Risk Management & Governance, Business Expertise, Finance & Accounting, Functional & Managerial Experience, Strategic Planning, Procurement, Sales & Marketing, International Trade, Export Business Management, Banking, Product Development, Plant Setup, Investor Relation, Supply Chain, Business Development and new Project, Human Resource, Administrative Reforms, Decision Making, Litigation Management, Supply Chain, Intellectual Property Rights etc.
Raunak R. Shetty (Executive Director)	Bachelor's degree in Commerce Chartered Accountant	10 years	Business Leadership & Operations, Business Expertise, Finance & Banking, Standardization of system and process, Procurement, & Marketing, Investor Relation, Business Development and new Project & New Products. New Technology & Innovation etc.

C) Skills/Expertise/Competence of Directors: (Contd.)

Name and Designation of the Directors	Qualification	Experience	Skills/Expertise/Competence
Shriraj S. Shetty (Executive Director)	Bachelors in Chemical Engineering M Tech in Chemical Engineering	11 years	Business Leadership & Operations, Risk Management & Governance, Business Expertise, Technical process improvement, Process implementation, Technical innovation expertise, Team management, production improvements, Conflict resolution, Product Quality and Safety Function, Procurement, Sales & Marketing, Functional & Managerial Experience etc.
Mulky V. Shetty (Independent Director)	Bachelor's degree in Science (Physics and Chemistry)	More than 2 decades	Business Expertise, Finance & Accounting, Product Development, Plant Setup, Manufacturing Operation, etc.
Anilkumar M. Marlecha (Independent Director)	Bachelor's degree in Commerce LL.B	10 years	Risk Management & Governance, Contract Drafting and Negotiations, Litigation Matters, Litigation Management Dispute Resolution, Statutory Compliance, Social Reforms etc
Ganesh N. Vanmali (Independent Director)	Bachelor's degree in Commerce General Law from University of Mumbai CAIIB	More than 4 decades	Finance & Accounting, Banking, Taxation, Finance & allied activities, Statutory Compliance etc.
Reshma D. Wadkar (Independent Woman Director)	Bachelor's degree in Commerce	21 years	Finance & Accounting, Taxation, Banking etc.

D) Disclosure of Relatioship Inter-Se:

1. Mr. Sadashiv K. Shetty, Chairman and Mr. Raghuram K. Shetty, Managing Director are brothers.
2. Mr. Shriraj S. Shetty, Executive Director is the son of Mr. Sadashiv K. Shetty, Chairman.
3. Mr. Raunak R. Shetty, Executive Director is the son of Mr. Raghuram K. Shetty, Managing Director.
4. No other Directors has any relationship inter-se.

E) Board Meetings:

During the year ended **March 31, 2024**, **7 (Seven)** Meetings were held on below mentioned date:

Sr. No.	Date of Board Meeting
1	30.05.2023
2	14.08.2023
3	02.11.2023
4	08.11.2023
5	09.02.2024
6	22.03.2024*
7	30.03.2024

* Separate Board Meeting of Independent Directors.

F) Directors' Attendance Record:

Name of Directors	No. of Board Meetings Attended During the year	Whether attended Last AGM held on August 24, 2023
Sadashiv K. Shetty	6 (100%)	Yes
Raghuram K. shetty	6 (100%)	Yes
Raunak R. shetty	5 (83.33%)	Yes
Shriraj S. Shetty	6 (100%)	Yes
Mulky V. Shetty	7 (100%)	Yes
Anilkumar M. Marlecha	7 (100%)	Yes
Ganesh N. Vanmali	7 (100%)	Yes
Reshma D. Wadkar	7 (100%)	Yes

G) Functioning of the Board and its Meetings:

The Board and its Committees meet at regular interval for discussion on the Agenda circulated well in advance by the Company. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion and to discharge its responsibilities effectively and take informed decisions.

Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. The Board periodically review Compliance Reports of all laws applicable to the Company, and steps taken by the Company to rectify instances of non-compliances.

The Board has the complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review among other things, quarterly performance of the Company and financial results.

The information as specified in regulation 17(7) of the Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) is regularly made available to the Board, whenever applicable, for discussion and consideration.

H) Independent Directors Meeting:

- During the year under review, the Independent Directors met on **March 22, 2024**, inter alia, to discuss the followings:
  1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a Whole;
  2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
  3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the independent Directors were present at the meeting.

I) Familiarization Programme:

The Company, from time to time organize the Familiarization Program for its Independent Directors. The objective of the familiarization program is to familiarize Company's Independent Directors inter-alia on the following:

a. Nature of the Industry in which the Company operates;

b. Business environment and operational model of various business divisions of the Company;

c. Roles, Rights and Responsibilities of Directors;

d. Important changes in the Regulatory framework having impact on the Company;

e. Manufacturing facilities of the Company at various location

In addition, the Company also undertakes initiatives to update the Independent Directors about;

f. On-going events and developments relating to the Company and significant changes in the Regulatory environment by way of presentations;

g. Operations and financial performance of the Company.

It is pertinent to mention here that the review of the operations and financial performance of the Company is one of the key agenda in each Board Meeting.

The brief details of the specific Familiarization Programme held during the financial year 2023-24 are given below:

- Program was organized for the independent directors where a detailed Presentation and discussion was made about the following:

  a. Overview Of The Company Including History of The Company, Promoters, Management Expertise, Mission of the Company, Awards and recognitions given to the Company, milestone, journey of the Company;

  b. Performance of the Company during FY 2023-24;

  c. Manufacturing process of the Company including details about factories, value chain, formulation and packing capabilities, Research and Development centres and quality control lab that Company has in-house;

  d. Intermediaries and other products that the Company deals with;

  e. Roles, Rights and Responsibilities of Independent Directors;

  f. The market that the Company has covered in the past and the prospective countries that Company is approaching;

  g. Top clients of the Company;

  h. Financial performance of the Company.

- Regularly updates the Independent Director about Roles, Rights and Responsibilities of Directors.

Details of such familiarisation programmes for the Independent Directors are available on the website of the Company at www.heranba.co.in.

Independence of Independent Director:

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

CHAPTER - III

COMMITTEES OF THE BOARD

Presently there are six Board Committees viz - Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Open Offer Committee. The Board stipulated the terms of reference of these committees and the assignment of its member thereof.

A) Audit Committee:

Presently the Audit Committee comprises of three independent directors, Mr. Ganesh N. Vanmali, Mr. Mulky V. Shetty and Mrs. Reshma D. Wadkar. Mr. Ganesh N. Vanmali has been designated as chairman of the committee. Mr. Ganesh N. Vanmali is Ex-Banker and holder of CAIIB degree. All the members of the Audit Committee are financially literate within the meaning of SEBI (LODR) Regulations, 2015. The Company Secretary of the Company, acts as the Secretary to the Committee. The Chief Financial Officer ("CFO") and Statutory Auditor are invitees of the Meeting.

The committee met **5 (Five)** times during the financial year ended March 31, 2024. These Meetings were held on April 10, 2023, May 30, 2023, August 14, 2023, November 02, 2023 and February 09, 2024.

The Minutes of the Audit Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. Meetings of held	No. Meetings of Attended
Ganesh N. Vanmali	Chairman	5	5
Mulky V. Shetty	Member	5	5
Reshma D. Wadkar	Member	5	5

The terms of reference of Audit Committee includes of the matters specified all the matters provided in regulation 18 read with Schedule II of SEBI (LODR) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.

Apart from all the matters provided in regulation 18 read with Schedule II of SEBI (LODR) Regulation, 2015 as well as Section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

B) Nomination & Remuneration Committee:

Presently the Nomination & Remuneration Committee consists of three independent Directors viz. Mr. Ganesh N. Vanmali, Mr. Mulky V. Shetty and Mr. Anil Kumar M. Marlecha, Mr. Ganesh N. Vanmali has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee.

The committee met **2 (Two)** times during the financial year ended March 31, 2024. These Meetings were held on May 30, 2023 and March 22, 2024.

The Minutes of the Nomination and Remuneration Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. Meetings of held	No. Meetings of Attended
Ganesh N. Vanmali	Chairman	2	2
Mulky V. Shetty	Member	2	2
Anil Kumar M. Marlecha	Member	2	2

The terms of reference of Nomination and Remuneration Committee includes of the matters specified in Schedule II of SEBI (LODR) Regulation, 2015 as well as Section 178 of the Companies Act 2013.

C) Stakeholder's Relationship Committee:

Presently the Stakeholders' Relationship Committee consists of three Directors viz. Mr. Anil Kumar M. Marlecha (Independent Director), Mr. Ganesh N. Vanmali (Independent Director) and Mr. Raghuram K. Shetty (Managing Director). Mr. Anilkumar M. Marlecha has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee.

The committee met **1 (One)** times during the financial year ended March 31, 2024. These Meeting was held on March 22, 2024.

The Minutes of the Stakeholders' Relationship Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. Meetings of held	No. Meetings of Attended
Anil Kumar M. Marlecha	Chairman	1	1
Ganesh N. Vanmali	Member	1	1
Raghuram K. Shetty	Member	1	1

The terms of reference of Stakeholders' Relationship Committee includes of the matters specified in Schedule II of SEBI (LODR) Regulation, 2015 as well as Section 178 of the Companies Act, 2013.

As on the date of this Report, no complaints is pending. All the complaints have generally been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, if any, which would be solved on final disposal by the courts/forums where they are pending.

D) Corporate Social Responsibilty (CSR) Committee:

Presently Corporate Social Responsibility ("CSR") Committee consists of three Directors viz. Mr. Mulky V. Shetty (Independent Director), Mr. Ganesh N. Vanmali (Independent Director) and Mr. Sadashiv K. Shetty (Chairman). Mr. Mulky V. Shetty has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee.

The committee met **1 (One)** times during the financial year ended March 31, 2024. These Meetings were held on March 22, 2024.

The Minutes of the CSR Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. Meetings of held	No. Meetings of Attended
Mulky V. Shetty	Chairman	1	1
Sadashiv K. Shetty	Member	1	1
Ganesh N. Vanmali	Member	1	1

The terms of reference of Corporate Social Responsibility Committee includes of the matters specified in Section 135 of the Companies Act, 2013, Schedule VI of the Act and the Rules made thereunder.

The Company has a Policy on CSR which is displayed on the Company's website www.heranba.co.in. A Report on the Corporate Social Responsibility activities carried out by the Company during the year under review are given in the Boards' Report.

E) Risk Management Committee:

Presently Risk Management Committee consists of four Directors viz. Mr. Sadashiv K. Shetty (Chairman), Mr. Raghuram K. Shetty (Managing Director), Mr. Raunak R. Shetty (Executive Director), and Ganesh N. Vanmali (Independent Director). Mr. Sadashiv K. Shetty has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee. The Chief Financial Officer of the Company would be invitee of the Committee.

The committee met **2 (Two)** times during the financial year ended March 31, 2024. These Meetings were held on August 14, 2023 and February 09, 2024.

The Minutes of the Risk Management Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. Meetings of held	No. Meetings of Attended
Sadashiv K. Shetty	Chairman	2	2
Raghuram K. Shetty	Member	2	2
Raunak R. Shetty	Member	2	2
Ganesh N. Vanmali	Member	2	2

The terms of reference of Risk Management Committee includes of the matters specified in Regulation 21 of the SEBI (LODR) Regulations, 2015.

The Risk Management Committee is responsible for oversight on overall risk management, process of the Company and shall ensure that key strategic and business risk are identified and necessary steps are taken for mitigation/redressal of the said risks.

F) Open Offer Committee:

During the year under review, An Open Offer Committee was constituted for the specific purpose to carry out and decide upon all activities in connection with Open Offer as the Wholly Subsidiary Company namely Mikusu India Private Limited was required to make an Open Offer for acquisition of up to 15,60,000 (Fifteen Lakhs Sixty Thousand) fully paid-up Equity Shares of face value of ₹ 10/- each **("Equity Shares")**, representing 26% of the total equity and voting share capital of Daikaffil Chemicals India Limited **("Target Company")**. In such Open Offer, the Company i.e. Heranba Industries Limited would act as a Person in Concert **("PAC")**, hence the Board of the Company would require to pass the necessary resolutions from time to time for which Board constituted the Committee for the aforesaid purpose. Further sometimes such resolution would be required at urgent basis. Therefore Board constituted this Committee to carry out activities relating to Open Offer on behalf of the Company.

The committee met **7 (Seven)** times during the financial year ended March 31, 2024. These Meetings were held on November 10, 2023, November 15, 2023, November 21, 2023, January 31, 2024, February 07, 2024, February 26, 2024 and February 28, 2024.

The Minutes of the Open Offer Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. Meetings of held	No. Meetings of Attended
Sadashiv K. Shetty	Chairman	7	7
Raghuram K. Shetty	Member	7	7
Raunak R. Shetty	Member	7	7
Shriraj S. Shetty	Member	7	7

G) Remuneration to Directors

The details of remuneration for the year ended March 31, 2024 to the Executive Directors are as follows:

Name of the Member	Designation	Remuneration (₹ in Crore)
Sadashiv K. Shetty	Chairman	1.56
Raghuram K. Shetty	Managing Director	3.32
Raunak R. Shetty	Executive Director	0.3
Shriraj S. Shetty	Executive Director	0.3

*includes commission

The Company has paid sitting fees of ₹ 15,000/- per board meeting and ₹ 7,500/- per committee meeting to Non-Executive Independent Directors during the financial year 2023-24.

H) Policy for selection and appointment of directors and their remuneration:

The Company has Policy for the selection and appointment of Directors and their remuneration. The Nomination and Remuneration (N&R) Committee has followed that policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

Criteria of selection of Non-Executive Directors

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, operation, accounts, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director:

i. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board meetings.

A Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and

The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CEO & Managing Director - Criteria for selection/appointment

For the purpose of selection of the CEO & MD, the N & R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises fixed component and commission. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

CHAPTER - IV

SHAREHOLDERS

A. Means of Communication:

a) The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the Company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. "Financial Express and Mumbai Lakshadweep" and in English news paper viz. "Financial Express Mumbai and Ahmadabad edition". Also they are uploaded on the Company's website www.heranba.co.in. The results are published in accordance with the guidelines of the Stock Exchanges.

b) In line with the exiting provisions of the Listing Regulations, the Company has created a separate e-mail address viz. compliance@heranba.com to receive complaints and grievances of the investors.

c) From time to time, Institutional Investor/Analysts meets were held, information regarding such meets were sent to exchange and available on the Company's website www.heranba.co.in.

d) Apart from the aforesaid institutional meets, Earning call were also regularly held after publication of financial result. The details of which were sent to Exchange and available on the Company's website www.heranba.co.in.

B. Share Transfers Agents:

M/s. Bigshare Services Private Limited,
Office No.: S6-2,
6th Floor, Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road, Andheri (East),
Mumbai – 400093.
E-mail ID: ipo@bigshareonline.com
Telephone No.: +91 22 6263 8200

C. Share Transfer System:

Entire Share Capital of the Company are dematerialized and No. shares are held in Physical mode.

D. General Body Meetings:

Details of last three Annual General Meetings ("AGM") are as under:

AGM No.	Financial Year	Date	Time	Venue
31st	2022-23	August 24, 2023	03.30 p.m.	Through Video Conferencing (VC)/Other Audio Visuals Means (OVAM)
30th	2021-22	July 27, 2022	03.30 p.m.	Through Video Conferencing (VC)/Other Audio Visuals Means (OVAM)
29th	2020-21	September 14, 2021	03.00 p.m.	Through Video Conferencing (VC)/Other Audio Visuals Means (OVAM)

Special business transacted at the last three AGM:

Meeting	Subject Matter of Resolution (Special Business)	Remarks
2022-23 (31st AGM)	1. Re-appointment of Shri Sadashiv K. Shetty (DIN: 00038681) as a Whole-Time Director designated as Executive Chairman of the Company; 2. Re-appointment of Shri Raghuram K. Shetty (DIN: 00038703) as a Managing Director of the Company; 3. Re-appointment of Shri Raunak R. Shetty (DIN: DIN:08006529) as a Whole-Time Director designated as Executive Director of the Company; 4. Re-appointment of Mr. Mulky V. Shetty (DIN: 08168960) as a Non-Executive Independent Director of the Company for a second term of five consecutive years; 5. Re-appointment of Mr. Anilkumar M. Marlecha (DIN: 08193193) as a Non-Executive Independent Director of the Company for a second term of five consecutive years; 6. Re-appointment of Mr. Ganesh N. Vanmali (DIN: 07833853) as a Non-Executive Independent Director of the Company for a second term of five consecutive years; 7. Ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2024.	All resolutions were passed with requisite majority
2021-22 (30th AGM)	1. To Appoint Statutory Auditor of the Company from the conclusion of this Annual General Meeting to hold such office for a period of five years i.e. till the conclusion of the 35th Annual General Meeting; 2. To appoint Mr. Shriraj S. Shetty (DIN: 06609014) as a Whole-Time Director designated as Executive Director of the Company; 3. To appoint Ms. Reshma D. Wadkar (DIN: 09394615) as an Independent Director of the Company; 4. To ratify the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2024; 5. To decide the place of keeping and inspection of the Registers and Annual Returns of the Company.	All resolutions were passed with requisite majority
2020-21 (29th AGM)	1. To increase in annual remuneration payable to Mr. Raunak R. Shetty, Whole-Time Director (DIN: 08006529); 2. To ratify the remuneration payable to Cost Auditor of the Company for the Financial Year ending March 31, 2024.	All resolutions were passed with requisite majority

Extra-Ordinary General Meetings:

During the year under review, the Company has not convened any Extra Ordinary General Meeting.

E. Postal Ballot:

During the year ended March 31, 2024 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

CHAPTER - V

GENERAL SHAREHOLDERS INFORMATION

A. Date, Day, Time and Venue of this 32nd Annual General Meeting:

Date	:	September 12, 2024
Day	:	Thursday
Time	:	04.00 p.m.
Venue	:	Video Conferencing (VC)/Other Audio Visual Means (OVAM)

B. Date of Book Closure:

The Registrar of Members and Share Transfer Books of the Company will remain closed **from September 06, 2024 to September 12, 2024** (both days inclusive) for the purpose of 32nd Annual General Meeting of the Company.

C. Record Date:

September 05, 2024 is fixed as the Record Date for determining the eligibility and entitlement of the Members to the Final Dividend for the Financial Year ended March 31, 2024. The dividend for the financial year 2023-24 as recommended by the Board of the Directors of the Company, if approved at the Annual General Meeting will be paid to those Shareholders whose name appear on the Register of Members on the close of the business hours of the Record Date.

D. Financial Calendar:

Financial Year: April 01 to March 31 for the financial year 2024-25, the tentative dates for declaration of Quarterly unaudited results will be, by July 31, 2024, October 31, 2024, January 31, 2025 and May 30, 2025.

E. Dividend Payment Date:

Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.

F. Listing in Stock Exchanges and Stock Codes:

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under:

Name of the Stock Exchanges	Stock Code No.
BSE Limited **("BSE")**	543266
National Stock Exchange of India Limited **("NSE")**	HERANBA

G. ISIN NO.:

The ISIN number allotted to the Company for demat of shares are as under:

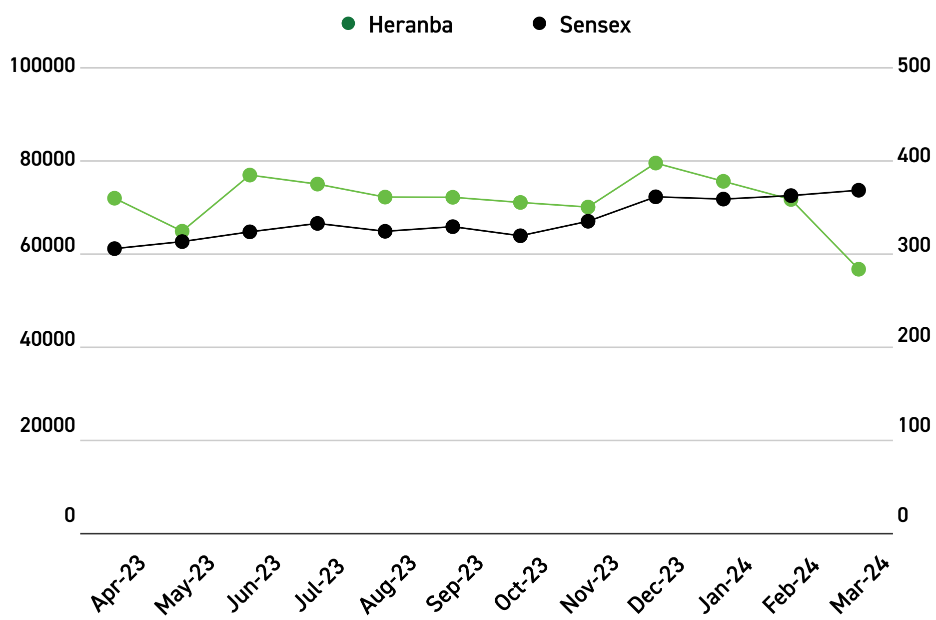
Name of the Depository	ISIN No.
National Securities Depository Limited **(NSDL)**	INE694N01015
Central Depository Services Limited **(CDSL)**	INE694N01015

H. Stock Data at BSE:

High/Low of Market price of Company's equity shares traded on the **BSE Limited** during the financial year ended on March 31 2024 was as follows:

Month	High	Low
April 2023	382	282.15
May 2023	384.9	317.15
June 2023	413.95	327.95
July 2023	395.65	356.85
August 2023	389	333.25
September 2023	402	354.5
October 2023	397.15	342.6
November 2023	386.45	347
December 2023	403.65	347
January 2024	425.4	369.7
February 2024	399	348.05
March 2024	362.05	281.75

*Source: BSE.

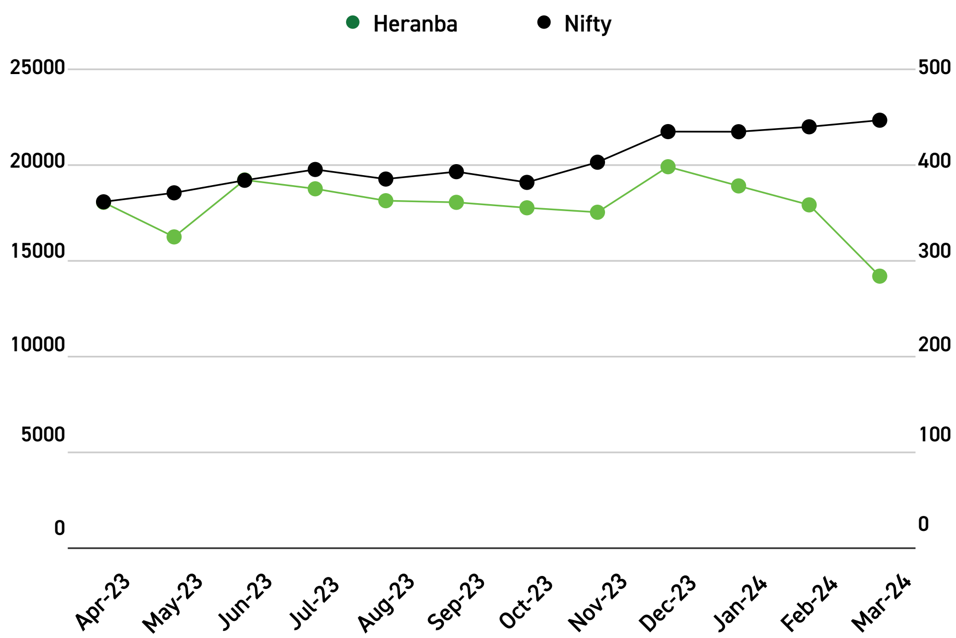


I. Stock Data at NSE:

High/Low of Market price of Company's equity shares traded on **NSE** during the financial year ended on March 31, 2024 was as follows:

Month	High	Low
April 2023	382.65	282.5
May 2023	377	317.35
June 2023	414	325
July 2023	396.45	357.5
August 2023	384.9	333
September 2023	402.2	355
October 2023	398	342.35
November 2023	387.45	347
December 2023	403.55	346.75
January 2024	426	369.15
February 2024	399.8	348.25
March 2024	363.3	282.55

*Source: NSE.



J. Distribution of Shareholding as on March 31, 2024:

Size of holding			No. of Shareholders*	(%)	No. of Shares	(%)
1	-	500	83,830	97.23	43,64,705	10.91
501	-	1000	1,340	1.55	10,12,242	2.53
1001	-	2000	569	0.66	8,23,487	2.06
2001	-	3000	192	0.22	4,87,144	1.22
3001	-	4000	72	0.08	2,52,910	0.63
4001	-	5000	52	0.06	2,40,034	0.60
5001	-	10000	94	0.11	6,69,378	1.67
10001	-	above	70	0.08	3,21,63,567	80.38
Total			**86,219**	**100.00**	**4,00,13,467**	**100.00**

*The list of shareholders is non PAN based.

K. Share Holding Pattern as on March 31, 2024:

Sr. No.	Category	No. of Shares	%
1	Promoters including Promoter Group	2,99,87,138	74.94
2	Alternate Investment Fund	92,626	0.23
3	NBFCs registered with RBI	66,621	0.17
4	Foreign Portfolio Investor Category I	1,080	0.00
5	Individuals shareholders holding upto ₹ 2 Lakhs	73,94,587	18.48
6	Individuals shareholders holding in excess of ₹ 2 Lakhs	12,24,372	3.06
7	Non-Resident Indians ("NRI")	2,55,814	0.64
8	Bodies Corporate	6,26,330	1.57
9	Clearing Members	6,173	0.02
10	HUF	3,58,680	0.90
11	Trust	23	0.00
12	Unclaimed or Suspense or Escrow Account	23	0.00
	Total	**4,00,13,467**	**100.00**

L. Shares Held in Physical and Dematerialized form:

As on March 31, 2024, 100% of shares were held in dematerialized form.

M. Outstanding GDR'S/ADR'S/Warrant's/Convertible Instruments and their impact on equity: Nil

N. Plant Location:

Plant	Location
UNIT-I	Plot No. 1504/1505/1506/1, at III Phase GIDC, Vapi, District – Valsad, Gujarat.
UNIT-II	Plot No. A-2/2214, A-2/2215, III Phase GIDC, Vapi, District – Valsad, Gujarat.
Sarigam Plant (UNIT-III)	Plot No. 2817/1, GIDC Sarigam, Taluka – Umbergaon, District – Valsad, Gujarat.
UNIT-IV	Plot No. 1409, GIDC, Phase-III, Vapi – 396 195

O. Address For Correspondence:

Corporate Office	2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Boarivali (West), Mumbai - 400092. Telephone: +91-22-2898 7912 E-mail ID: compliance@heranba.com Website: www.heranba.co.in

Registered Office	Plot No. 1504/1505, 1506/1, at III Phase GIDC, Vapi, Taluka: Pardi, District: Valsad, Gujarat. Telephone: +91-260-240 1646 E-mail ID: compliance@heranba.com Website: www.heranba.co.in
Registrar & Share Transfer Agent	M/s. Bigshare Services Private Limited., Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Telephone:+91 22 6263 8200 E-mail ID: ipo@bigshareonline.com Website: www.bigshareonline.com

P. Shares held in electronic form:

Shareholders holding shares in the electronic form may furnish their bank details, which they wish to incorporate on their dividend warrants, to their depository participants. As per the regulations of NSDL and CDSL the Company is required to print the bank details on the dividend warrants, if required to be issued, as furnished by these depositories to the Company.

CHAPTER VI

DISCLOSURE

A) Related Party Transactions:

The Company has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company has disclosed details of related party transactions with related parties to the Exchange. The details of the related party transaction are provided in the Boards' Report.

B) Compliance Relating to Capital Market:

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets except the below.

There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

C) Code Of Conduct:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all senior management personnel in the course of day to day business operations of the Company. The details about Code of Conduct are provided in the Boards' Report.

D) CEO and CFO Certification:

Certificate issued by Mr. Raghuram K. Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer of the Company for financial year under review, was placed before the Board of the Directors at its meeting held on May 27, 2024 in terms of Regulation 17(8) of SEBI (LODR) Regulations. Mr. Raghuram K. Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer have also provided the quarterly certification on the financial result while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI(LODR) Regulations.

E) Compliance Certificate on Corporate Goverance:

A Certificate from the Practicing Company Secretary, K.C. Suthar & Co. confirming the compliance with the conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI (LODR) Regulations, is attached to this Report.

F) Management Discussion and Analysis Report:

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2024 which is attached separately along with this Report.

Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

G) Adherence to Indian Accounting Standards:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy in use.

H) Whistle Blower/Vigil Mechanism:

The Company has a Vigil Mechanism/Whistle Policy under which it established a Whistle Blower Policy/Vigil Mechanism. The details of the Whistle Blower/Vigil Mechanism are provided in the Boards' Report.

I) Corporate Social Responsibility ("CSR"):

The Company has fully complied with the mandatory norms prescribed for contributions towards corporate social responsibility. The details about CSR are provided in the Boards' Report.

J) Policy on criteria for determining materiality of events:

in terms of the Regulation 30 of the SEBI Listing Regulations, the policy on criteria for determining materiality of events and ensuring timely and accurate dissemination of the material event/information to the Stock Exchanges is available on the website of the Company at 'www.heranba.co.in'.

K) Commodity Price Risk:

The Company does not deal in commodity(ies), hence disclosure relating to commodity price risk and commodity hedging activities does not apply to the Company.

L) Funds Raised During the year under review:

The Company has not raised any funds through preferential allotment or Qualified Institutional placement for the financial year ended March 31, 2024.

M) Material developments in human resources/industrial relations front, including number of people employed:

As on March 31, 2024 the Company had 700+ (approximately) permanent employees at its manufacturing plant and administrative office.

The Company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

The Company enjoyed excellent relationship with workers and staff during the last year.

Compliance Certificate

We, Mr. Raghuram K. Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer of Heranba Industries Limited **("The Company")** do hereby certify as follows:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps We have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year, if any;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which We have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Heranba Industries Limited**

Raj K. Bafna
Chief Financial Officer

Raghuram K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Certificate on Corporate Governance

To,
The Members
Heranba Industries Limited
Plot No. 1504/1505/1506/1 GIDC,
Phase-III Vapi, Valsad-396195,
Gujarat, India.

We have examined the compliance of the conditions of Corporate Governance by Heranba Industries Limited, CIN: L24231GJ1992PLC017315 for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K.C. Suthar & Co.**
Company Secretaries

K.C. Suthar
Proprietor
FCS: 5191
Peer Review No.: 1357/2021
UDIN: F005191F000456026

Place: Mumbai
Dated: May 27, 2024

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L24231GJ1992PLC017315	
2	Name of the Listed Entity	Heranba Industries Limited	
3	Date of Incorporation	17-03-1992	
4	Registered Office address	Plot No. 1504/1505/1506/1 GIDC, Phase-III, Vapi-Valsad - 396195, Gujarat.	
5	Corporate address	2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Borivali (W), Mumbai-400092.	
6	E-mail ID	compliance@heranba.com	
7	Telephone	+91 22 5070 5050	
8	Website	www.heranba.co.in	
9	Financial Year for which reporting is being done	Start Date	End Date
	Current Financial Year	April 01, 2023	March 31, 2024
	Previous Financial Year	April 01, 2022	March 31, 2023
	Prior to Previous Financial year	April 01, 2021	March 31, 2022
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE)/BSE Limited (BSE)	
11	Paid-up Capital	₹ 40,01,34,670	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report		
	Name of Contact Person	Mr. Abdul Latif, CS & Compliance Officer	
	Contact Number of Contact Person	022 5070 5014	
	E-mail of Contact Person	compliance@heranba.com	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone Basis	
14	Whether the Company has undertaken reasonable assurance of the BRSR Code	No	
15	Name of assurance provider	N.A.	
16	Type of assurance obtained	N.A.	

II. Products/Services

17. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Manufacturing	Engaged in the business of manufacturing, selling, distributing, purchasing and dealing of Insecticides, Fungicides, Herbicides, Weedicides and Public Health Service	100%

18. Products/Services sold by the entity (accounting for 90% of the turnover):

Sr. No.	Product/Service	NIC Code	% of Turnover contributed
1	Insecticides Herbicides, Fungicides, Public Health	20211	100%

III. Operations

19. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
Nation	4	26	30
International	0	0	0

20. Markets served by the entity:

a. Number of locations:

Location	Number
National (No. of State and Union Territory)	20
International (No. of Countries)	72+
a. What is the contribution of exports as a percentage of total turnover of the entity?	35%
b. A brief on types of customers	The Company serves various customers including farmers, retailers, distributors, wholesaler through its domestic business stock depots and agrochemical companies and other distributors through the international business. The Company's products are consumed within India as well as across the globe.

IV. Employees

21. Details as at the end of Financial Year:

A. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
	EMPLOYEES							
1	Permanent (D)	555	539	97.12%	16	2.88%	0	0.00%
2	Other than permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3	**Total employees (D + E)**	**555**	**539**	**97.12%**	**16**	**2.88%**	**0**	**0.00%**
	WORKERS							
4	Permanent (F)	320	319	99.69%	1	0.31%	0	0.00%
5	Other than permanent (G)	998	953	95.49%	45	4.51%	0	0.00%
6	**Total workers (F + G)**	**1318**	**1272**	**96.51%**	**46**	**3.49%**	**0**	**0.00%**

B. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
	DIFFERENTLY ABLED EMPLOYEES							
1	Permanent (D)	0	0	0.00%	0	0.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3	**Total differently abled employees (D + E)**	**0**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**
	DIFFERENTLY ABLED WORKERS							
4	Permanent (F)	0	0	0.00%	0	0.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%	0	0.00%
6	**Total differently abled workers (F + G)**	**0**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**

22. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.50%
Key Management Personnel*	6	0	0.00%

*Key Management Personnel refers to the Managing Director, Whole-Time Director, Chief Financial Officer and Company Secretary as defined under Section 203(1) of the Companies Act, 2013.

23. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years:

Particulars	Turnover rate in current FY (2023-24)				Turnover rate in previous FY (2022-23)				Turnover rate in the year prior to the previous FY (2021-22)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	3.15%	6.25%	0.00%	3.39%	5.31%	6.67%	0.00%	5.35%	7.25%	5.56%	0.00%	7.19%
Permanent Workers	0.62%	0.00%	0.00%	0.62%	0.32%	0.00%	0.00%	0.32%	1.84%	0.00%	0.00%	1.83%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

24. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Mikusu India Private Ltd	Subsidiary	100.00%	No
2	Heranba Organics Pvt. Ltd	Subsidiary	100.00%	No
3	Daikaffil Chemicals India Limited	Subsidiary	48.48%	No

VI. CSR Details

25.

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	12,74,74,73,470.50
(iii) Net worth (in ₹)	8,77,46,36,686.01

VII. Transparency and Disclosures Compliances

26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No/N.A.)	(If Yes, then provide web-link for grievance redress policy)	FY (2023-24)			FY (2022-23)			(If N.A., then provide the reason)
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
Communities	Yes	https://www.heranba.co.in/policies/	0	0	-	0	0	-	-
Investors (other than shareholders)	Yes		0	0	-	0	0	-	-
Shareholders	Yes		0	0	-	22	0	-	-
Employees and workers	Yes		0	0	-	0	0	-	-
Customers	Yes		0	0	-	0	0	-	-
Value Chain Partners	Yes		0	0	-	0	0	-	-
Other (please specify)	-		-	-	-	-	-	-	-

27. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material Issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/negative implications)
1	Customer Experience & Satisfaction	Opportunity	Our object is providing innovative products to our customer mainly farmers to maximize their farm output. Our mission is to improve Crop Productivity and Public Health.	-	Positive
2	Natural Disasters including Climate Change	Risk/Opportunity	**R-** Business interruption due to natural risks like fire, cyclone, floods, war, drought, earthquakes, or any other nature-caused calamity, affects the regular operation of Company **O-** The potential carbon routes for reducing GHG emissions offer distinct operational and energy supply opportunities **O-** Clean energy integration in existing electric networks **O-** Investment of capital in assets that will serve diversified electricity and fuel retrofitting on the energy supply system	• The property of the Company is adequately insured against various natural risks. • Fire Hydrants have been installed at all manufacturing locations. • Other apparatus like extinguishers filled with chemical, foam etc. have been placed at fire sensitive locations and regular fire safety drills are carried out. • First aid training is given to watch and ward staff and safety personnel. • Engaging professional Risks Assessing Advisors who conduct periodical audit/ review and suggest risks improvement measures from time to time.	Negative/Positive
3	Occupational health & safety hazards	Risk	Adverse incidents (loss of life, lost days, damage to assets, environment) due to safety gaps may impact business operations, reputation, Relationships, etc.	• Regular Medical Checkup from time to time. • Detailed SOPs for health and safety measure and adherence thereto followed strictly. • Employee training to handle hazardous chemicals. • Providing a safe and healthy workplace environment. • To create a workplace free of injuries, fatalities, and illness (both chronic and acute, and physical and mental health) through trainings, appropriate personal protective equipment, incident tracking and reporting, etc. • Safety risk assessment and audit. • Continuous improvement in responsible manufacturing and lead indicator tracking. • Implementation of certain elements of Process Safety Management.	Negative

Sr. No.	Material Issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/negative implications)
4	Process and Product Development	Opportunity	• Faster business growth • Increase in profitability • Satisfaction of internal and external stakeholders • Optimal use of available resources	• Providing highest level of support in product research, development, and registration. • Constantly striving toward developing a cost-effective process for manufacturing Active Ingredients and Intermediates for Herbicides, Insecticides & Fungicides and to develop new formulations of Crop protection products. • A state-of-the-art R&D center and a pilot plant. • Formulation-Development Lab has been set up with Lab Scale pieces of equipment. The facility fulfills the requirement for Organic Synthesis as well as Formulation Development. • A well-qualified team of research personnel and scientists working on the continuous improvement of existing products and the development of new products. • Robust product and process studies conducted from early stage & frequently review of product pipeline development.	Positive
5	Supply Chain	Risk/Opportunity	**R-** Use of outside transport services **R-** Business continuity **R-** Market reputation **O-** Commitment to customers	• Sourcing committed and dedicated service providers • Exploring possibility of an inhouse logistic mechanism if the situation demands • Possibilities to optimize the operations, by having a combination of transportation through road/rail and sea/air are explored • Comprehensive transit risk insurance coverage for all incoming and outgoing goods across the organization • Identify new sources and optimize procurement actions to ensure continued production • Our supplier and distribution network are widespread and inherently exposed to risks from disruption. We undertake detailed assessments of our suppliers and third-party contract manufacturers at the time of onboarding and periodically. These assessments cover a multitude of ESG topics like labor rights, fair wages, and regulatory compliances.	Positive/Negative

Sr. No.	Material Issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/negative implications)
6	Human Capital i.e. Talent Management, Attrition, Retention and Development	Opportunity/Risk	**O-** Human Capital is key to the success of business and employee engagement and competence plays a vital role in organizational development. **O-** Skilled employees and workers form an asset to the Company. The highly trained employees and worker perform their tasks more efficiently, in less time and with less chances of injury **O-** Providing a needs-based and innovative range of training courses, notably in forward thinking fields of expertise like digitalization **O-** Attracting and developing the right talent, ensuring professional development and personal well-being throughout their tenure with the Company **O-** Providing programmes that are specifically designed for roles which require upgraded skills **R-** Employee Turnover Risks, involving replacement risks, training risks, skill risks, etc. **R-** Unrest Risks due to Strikes and Lockouts	• Company has proper recruitment policy for recruitment of personnel at various level in the organization. • Proper appraisal system to give yearly increment is in place. • Employees are trained at regular intervals to upgrade their skills. • Labour problems are obviated by negotiations and conciliation. • Activities relating to the welfare of employees are undertaken.	Positive/Negative
7	Quality of Products	Opportunity	• The Company has its in-house quality control laboratories in three of its manufacturing units to ensure that it offers superior crop-protection and public heath solutions. • Each of our laboratory is fully equipped and dedicated towards the quality of Input materials, In-Process materials, and finished goods. • Our laboratories are also equipped with advanced technologies that enables them to offer more precise standards of quality. • Our Quality Control Laboratories are accredited by NABL under ISO/IEC-17025:2017. • Additionally, our R&D efforts involves the inclusion of highly-qualified experts and scientists equipped with cutting-edge equipment and technology who consistently work on improving existing products and innovate newer ones. • Our teams proactively tracks regulatory and non-regulatory complaints and grievances and works towards redressing them in an effective manner.	-	Positive

Sr. No.	Material Issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/negative implications)
8	Corporate Governance and Management of the Legal & Regulatory Environment	Risk	• Loss of reputation. • Incurring or levying of penalties. • Satisfaction of internal and external stakeholders. • Long-term adverse direct or indirect environmental and social impact.	• Digitally enabled regulatory compliance tracking and review of new requirements • Periodical assurance to the Board/Audit Committee/Senior Management • Policy revision/up gradation/ Board review • The Company is governed by various laws and the Company has to do its business within four walls of law, where the Company is exposed to legal risk exposure. • To safeguard the Company engages professionals and advisors who focus on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved, to meet the general and specific requirements so that they can ensure adherence to all contractual obligations and commitments	Negative
9	Pollution Free Environment	Risk	Failure to provide a safe working environment exposes the Company to compensation liabilities, suboptimal productivity, loss of business reputation and other costs	• All the necessary pollution control norms for air, water a noise etc. are followed • Disposal of hazardous waste is monitored within permissible limits • All hazardous waste is disposed to Pollution Control Board approved Land Filling and Incineration Facilities.	Negative
10.	Data Protection	Risk	• System capability & reliability • Data integrity risks including password management • Coordinating and interfacing risks • Risk of confidential data leakage via USB drives/flash drives, etc.	• Systems Administrator monitors and upgrades the systems on a continuous basis. • Password protection is provided at different levels to ensure data integrity. • Licensed software is being used in the systems. • The Company ensures "Data Security", by having access control/restrictions.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
			In addition to the BRSR Policy, the Company has Human Rights Policy, CSR Policy, Vigil Mechanism Policy, Sexual Harassment Policy, Anti-corruption and other policies that covers elements of NGRBC principles.								
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	https://www.heranba.co.in/policies								
2	**Whether the entity has translated the policy into procedures. (Yes/No)**		Yes	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**		Yes	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes

4 Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.

Most of the policies are aligned to National Guidelines on Responsible Business Conduct (NGRBC) issued by Ministry of Corporate Affairs and some other standards such as Bureau of Indian Standard/Generally accepted standards., the guidelines, norms and directives of different State and Central Government. Company has obtained 17 Certification under national and international codes/certifications/labels/standards as follows:

- Three Star Export House;
- ISO 9001:2015 Production and Dispatch of Agro Based Formulations such as Insecticides, Fungicides and Herbicide;
- ISO 14001:2015 Manufacture and Supply of Deltamethrin, Lamda Cyhalothrin and Profenofos Technical;
- HACCP Principles Production and Distribution of Agro Based Formulations & Public Health Products such as Insecticides, Fungicides and Herbicide;
- WHO Approval- Heranba's Products, Deltamethrin & Alpha Cypermethrin has been incorporated in the WHO/FAO specifications and Evaluation;

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
	• 11 BIS Licenses (Bureau of Indian Standards, ISI Certificate) for: (1) Alphacypermethrin 5%WP; (2) Deltamethrin 2.5% WP; (3) Lamda Cyhalothrin 10% WP; (4) Deltamethrin 2.5% SC; (5) Deltamethrin 1.25% ULV; (6) Temephos 50% SC; (7) Malathion 50% EC; (8) Chlorpyrifos 20% EC; (9) Propoxur 20% EC; (10) Imidacloprid 30.5% SC; and (11) Diflubenzuron 25% WP.									
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	The Company is in the process of defining an overall ESG strategy with goals & targets on material issues.								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Not Applicable								
Governance, leadership and oversight										
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**									

Heranba emphasizes sustainability, inclusivity, and prosperity while acknowledging the relationship between sustainable practices and growth. By offering cutting-edge, dependable, and sustainable products, we strengthen our brand, alleviate inequalities, build trust, and help the environment.

Additionally, we place a high priority on the environmental impact of our activities and are actively taking steps to reduce it. Sustainability is an integral part of our strategy, and we are committed to sharpening our attention on environmental, social, and governance (ESG) concerns. We desire to follow the best governance and disclosure practices, which include giving accurate and timely information about our financial status, performance, ownership, and governance. We perform many CSR initiatives that benefit as many people as possible in order to address the social components.

We have put in place a number of efforts to achieve sustainability in our firm. Among them are:

- Cutting carbon emissions and minimizing environmental effect.
- In order to conserve water and decrease exposure to fumes and gases, we have also used tanker transportation for raw materials.
- To lower energy use, frequent energy audits and the application of energy-efficient technologies are carried out.
- We practice water conservation, renewable energy procurement, recycling, raw material optimization, and we extend these practices to all of our sites, group companies, and stakeholders.
- Through process optimization and monitoring emissions, we constantly strive to improve our environmental performance and greenhouse gas reduction.
- We place a high focus on protecting the health and safety of our employees, and we've adopted numerous safety measures in addition to donating to charity organizations.

The Company's research and development department focuses on creating environmentally friendly and sustainable processes, minimizing waste, implementing resource-saving techniques, and putting waste management, renewable energy, and motion-activated lighting into practice.

In conclusion, Heranba is unwavering in its dedication to sustainability. The Company exhibits its commitment to the guiding principles of ESG by placing a high priority on environmental, social and governance concepts. Heranba aims to improve the future for all stakeholders while preserving a sustainable and ethical approach by incorporating sustainable practices.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	Raghuram K. Shetty (DIN: 00038703), Managing Director								
9	**Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.**	The Board from time to time oversee the implementation of respective policies. The Functional Heads are authorized to oversee the implementation thereof.								

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies wherever stated have been approved by Board/Committees of Board/Senior Management of the Company. Polices are reviewed at periodic intervals in all aspects including statutory requirements depending on the frequency stated in respective policies or on need basis whichever is earlier and necessary updates are made to the policies.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations.																	

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	Yes. Internal and external audits of the policies on quality, safety, health, and the environment are conducted as part of the ISO Systems certification process and ongoing periodic evaluations. Internal audit mechanisms are used to periodically assess the effectiveness of other policies. Kalptaru Pollution Control Sch-II Auditor conduct Environmental Audit & Safe Skill Services conduct Safety Audit and Prepare Onsite Emergency Plan.								

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable. All principles are covered by respective policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	5	During the year, the Board of Directors and KMPs of the Company invested their time on various updates pertaining to the business regulatory updates including principles laid down in BRSR, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.	100.00%
Key Managerial Personnel	5	During the year, the Board of Directors and KMPs of the Company invested their time on various updates pertaining to the business regulatory updates including principles laid down in BRSR, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.	100.00%
Employees other than BoD and KMPs	146	More than 40 topics which includes - Health and Safety including Basic & General Safety in Chemical Industry, Emergency Chlorine Handling Kit, First-aid Training,, Manual Material Handling, Good Housing Keeping, Practical Fire Fighting With the Use of Fire Extinguisher, Importance of PPE, SCBA Set Handling etc. - Session on Code of Conduct for employees & workers - Prevention of Sexual Harassment - Stress Management - Business Communication Skills - Team Building - Business Communication Skills	62.00%
Workers	136	- Health and Safety including Basic & General Safety in Chemical Industry, Emergency Chlorine Handling Kit, First-aid Training, Manual Material Handling, Good Housing Keeping, Practical Fire Fighting With the Use of Fire Extinguisher, Importance of PPE, SCBA Set Handling etc. - Prevention of Sexual Harassment	77.00%

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

	Monetary				
	NGRBC Principle	Name of regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding Fee					

	Non-Monetary			
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		Nil		
Punishment				

For the financial year, neither the entity nor its directors or KMPs paid any fines, penalties, sanctions, awards, compounding fees, or settlement amounts in any proceedings with regulators, law enforcement, or judicial institutions.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, Anti-Corruption policy primarily covers risk assessment, third-party due diligence, training & awareness and audit and reporting. The Company has zero tolerance for any form of corruption or bribery, and it provides for strict actions against anyone caught engaging in such unethical behavior. The purpose of the policy is to inform Directors, Officers, Employees, and others who work for or on behalf of the organisation about what activities are appropriate and inappropriate. At the start of the Company's business involvement with each individual, they are all notified of the anti-corruption policy. As part of the prevention, identification, and detection of anti-corruption issues, training is provided across the Company. The Company upholds the highest standards and does not tolerate corruption wherever it conducts business. In addition to the aforementioned, the Vigil Mechanism Policy, which is applicable to every employee employed by the organisation, offers a platform for reporting dishonest behaviour, fraud, and actual or suspected Code violations. No stakeholder complaints with respect to the Company's Code of Conduct and Whistle Blower Policy were received in the reporting year.

   The policy is accessible on the following web link: https://www.heranba.co.in/wp-content/uploads/2023/04/DOC230123-23012023160634.pdf.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

Particulars	FY (2023-24)	PY (2022-23)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY (2023-24)		PY (2022-23)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	N.A.	0	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	N.A.	0	N.A.

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

8. **Number of days of accounts payables:**

Particulars	FY (2023-24)	PY (2022-23)
i) Accounts payable x 365 days	1047331000000	681053500000
ii) Cost of goods/services procured	8409800000	9273200000
iii) Number of days of accounts payables	125 days	73 days

9. **Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics			FY (2023-24)	PY (2022-23)
Concentration of Purchases	a.	i)	Purchases from trading houses	168200000.00	69500000.00
		ii)	Total purchases	8409800000.00	9273200000.00
		iii)	Purchases from trading houses as % of total purchases	2.00%	0.75%
	b.		Number of trading houses where purchases are made	3	3
	c.	i)	Purchases from top 10 trading houses	168200000.00	69500000.00
		ii)	Total purchases from trading houses	168200000.00	69500000.00
		iii)	Purchases from top 10 trading houses as % of total purchases from trading houses	100.00%	100.00%

Parameter	Metrics			FY (2023-24)	PY (2022-23)
Concentration of Sales	a.	i)	Sales to dealer/distributors	3314400000.00	3046100000.00
		ii)	Total Sales	12747500000.00	13243800000.00
		iii)	Sales to dealer/distributors as % of total sales	26.00%	23.00%
	b.		Number of dealers/distributors to whom sales are made	9200	8500
	c.	i)	Sales to top 10 dealers/distributors	382400000.00	397300000.00
		ii)	Total Sales to dealer/distributors	3314400000.00	3046100000.00
		iii)	Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	11.54%	13.04%

Parameter	Metrics			FY (2023-24)	PY (2022-23)
Shares of RPT in	a.	i)	Purchases (Purchases with related parties)	32500000.00	13600000.00
		ii)	Total Purchases	8409800000.00	9273200000.00
		iii)	Purchases (Purchases with related parties as % of Total Purchases)	0.39%	0.15%
	b.	i)	Sales (Sales to related parties)	1067300000.00	203100000.00
		ii)	Total Sales	12747500000.00	13243800000.00
		iii)	Sales (Sales to related parties as % of Total Sales)	8.37%	1.53%
	c.	i)	Loans & advances given to related parties	2333800000.00	534900000.00
		ii)	Total loans & advances	2333800000.00	534900000.00
		iii)	Loans & advances given to related parties as % of Total loans & advances	100.00%	100.00%
	d.	i)	Investments in related parties	0.00	1500000.00
		ii)	Total Investments made	18300000.00	9200000.00
		iii)	Investments in related parties as % of Total Investments made	0.00%	16.30%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Sr. No.	Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	439	1. Good Business Practices 2. Effectiveness of Products on Crops and Pest 3. How to use the products to give better yields 4. Health & Safety Related usage of products 5. Launch of New Scheme 6. Launch of New Products 7. Distribution of Awards 8. Update and Future Plan of Company progress	100.00% The Company has a practice of regularly training farmers and dealers in various regions on various topics to create an awareness on good business practices. The Company will going forward maintain records to track the percentage of farmers and dealers covered in the trainings and would also conduct the sessions on the specific BRSR principles. Additionally, the Company will make an efforts to include the other value chain partners in these training initiatives.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board?

Yes

If Yes, provide details of the same

The Company has procedures in place to prevent/manage conflicts of interest affecting board members and they are in accordance with the terms of the board's appointment of directors.

According to the Company's Code of Conduct, Board members and Senior Management of the Company are required to abstain from discussions, voting, or otherwise influencing a decision on any matter in which they have or may have a conflict of interest; restrict themselves from serving as a Director of any Company that is in direct competition with the Company.

Additionally, the Board of Directors and senior management of the Company submit a yearly declaration of the entities in which they have an interest or whenever there is a change of interest as per the provisions of The Companies Act, 2013. The Company then confirms that the necessary legal approvals have been obtained before engaging in business with such interested entities.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY (2023-24)	PY (2022-23)	Details of improvements in environmental and social impacts
R&D	6.00%	57.00%	1. Bromine recovery system & Recycling recovered bromine in our products. 2. Recovery of potassium chloride from the aqueous streams & Selling KCl as fertilizer grade. 3. New formulation development of CS grade; Pendimethalin 34.4%CS, which is more environ-friendly than EC solvent based. 4. New formulation development of CS grade; Lambda-cyhalothrin 5%, 10% & 25% CS, which is more environ-friendly than that of EC solvent based.
Capex	0.00%	0.00%	N.A.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Heranba has not yet established specific protocols for sustainable sourcing; however, the Company is conscious of the significance of sustainability in its operations, hence, it screens every supplier based on social and environmental criteria, and every aspect of the Company's operations is regularly examined to ensure that the sourced materials are handled responsibly. The legal compliance status, health and safety policy, and ISO certification-which includes ISO 9001, ISO 14001, and ISO 18001 are all factors we consider when evaluating suppliers.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

(a) Plastics (including packaging)	Plastic waste is sent to GPCB approved recycler.
(b) E-waste	E-waste records are maintained & it will be sent to GPCB Registered E-Waste supplier.
(c) Hazardous waste	All generated hazardous waste has been sent to a landfill or incinerator authorised by the GPCB.
(d) other waste	It is given to the local scrap vendor i.e. MS waste, SS waste.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   EPR plan is under review for submission to Pollution Control Board.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.**

   No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

Sr. No.	Name of Product/Service	Description of the risk/concern	Action Taken
		Nil	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Sr. No.	Indicate input material	Recycled or re-used input material to total material	
		FY (2023-24)	PY (2022-23)
Nil			

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particulars	FY (2023-24)			PY (2022-23)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	3.50		16.46		2.025	2.025
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	2844.45	-	-	322.48
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Sr. No.	Indicate product category	Reclaimed products and their packaging materials as Percentage of total products sold in respective category
Nil		

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	539	539	100.00%	214	39.70%	0	0	0	0.00%	0	0.00%
Female	16	16	100.00%	1	6.25%	16	100.00%	0	0	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**555**	**555**	**100.00%**	**215**	**38.74%**	**16**	**2.88%**	**0**	**0.00%**	**0**	**0.00%**
Other than permanent employees											
Male	0	0	0.00%	0	0.00%	0	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**0**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	319	319	100.00%	319	100.00%	-	-	0	0.00%	0	0.00%
Female	1	1	100.00%	1	100.00%	1	100.00%	-	-	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**320**	**320**	**100.00%**	**320**	**100.00%**	**1**	**0.31%**	**0**	**0.00%**	**0**	**0.00%**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than permanent workers											
Male	953	953	100.00%	953	100.00%	-	-	0	0.00%	0	0.00%
Female	45	45	100.00%	45	100.00%	45	100.00%	-	-	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**998**	**998**	**100.00%**	**998**	**100.00%**	**45**	**4.51%**	**0**	**0.00%**	**0**	**0.00%**

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars		FY (2023-24)	PY (2022-23)
i)	Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers)	68400000.00	56500000.00
ii)	Total revenue of the Company	12747500000.00	13243800000.00
iii)	Cost incurred on wellbeing measures as a % of total revenue of the Company	0.54%	0.43%

2. Details of retirement benefits:

Benefits	FY (2023-24)			PY (2022-23)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Others – please specify						

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The Company has put up ramps, lifts, and handrails for stairwells at all of its locations, including its offices and other premises, to make it easier for people with disabilities to go about. Thus, Company's premises has been made access friendly.

If not, whether any steps are being taken by the entity in this regard?

Not Applicable

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

Heranba provides equal job opportunities without regard to age, race, religion, nationality, disability, marital status, sex, or sexual orientation. Based on the aforementioned factors, the Company makes an effort to keep a harassment-free workplace. This equal opportunity policy is dependent on any applicable laws, a person's qualifications, and their worth. The policy can be access at https://www.heranba.co.in/wp-content/uploads/2023/07/Anti-Discrimination-Policy.pdf.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00	0.00	0.00	0.00
Female	100.00	100.00	100.00	100.00
Other	0.00	0.00	0.00	0.00
Total	**100.00**	**100.00**	**100.00**	**100.00**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?**

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes	The Company has a grievance policy so that employees have a way to convey issues related to their employment. The Policy makes sure that these complaints are resolved swiftly, fairly, and impartially in accordance with the Organization's policies. This comprises employee concerns about a supervisor's, another employee's, or Management's behaviour, inaction, or proposed action in relation to them. According to the policy's grievance redress mechanism, the first step in addressing any problem is to speak directly to the other party about the grievance. If consultation is unsatisfactory or impossible for whatever reason, the employee may speak to their next-level supervisor. If the grievance is still not resolved at the Department or Second Level, the HR Head of the Site will speak directly with the other party to try to address the situation. Even if the issue goes unresolved, the director will be involved to settle the complaints and will try every option at his command. The policy can be access at https://www.heranba.co.in/wp-content/uploads/2023/07/Grievience-REdrressal-Policy.pdf
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY (2023-24)			PY (2022-23)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category,who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**555**	**0**	**0.00%**	**0**	**0**	**0.00%**
Male	539	0	0.00%	0	0	0.00%
Female	16	0	0.00%	0	0	0.00%
Other	0	0	0.00%	0	0	0.00%
Total Permanent Workers	**320**	**0**	**0.00%**	**0**	**0**	**0.00%**
Male	319	0	0.00%	0	0	0.00%
Female	1	0	0.00%	0	0	0.00%
Other	0	0	0.00%	0	0	0.00%

8. **Details of training given to employees and workers:**

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					Employees					
Male	539	439	81.45%	75	13.91%	490	266	54.29%	12	2.45%
Female	16	1	6.25%	2	12.50%	15	1	6.67%	0	0.00%
Other	0	0	0.00%	1	0.00%	0	0	0.00%	0	0.00%
Total	**555**	**440**	**79.28%**	**78**	**14.05%**	**505**	**267**	**52.87%**	**12**	**2.38%**
					Workers					
Male	1272	1126	88.52%	0	0.00%	1003	753	75.07%	0	0.00%
Female	46	8	17.39%	0	0.00%	30	7	23.33%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	**1318**	**1134**	**86.04%**	**0**	**0.00%**	**1033**	**760**	**73.57%**	**0**	**0.00%**

9. **Details of performance and career development reviews of employees and worker:**

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	539	539	100.00%	490	490	100.00%
Female	16	16	100.00%	15	15	100.00%
Other	0	0	0.00%	0	0	0.00%
Total	**555**	**555**	**100.00%**	**505**	**505**	**100.00%**
Workers						
Male	1272	1272	100.00%	1003	1003	100.00%
Female	46	46	100.00%	30	30	100.00%
Other	0	0	0.00%	0	0	0.00%
Total	**1318**	**1318**	**100.00%**	**1033**	**1033**	**100.00%**

10. **Health and safety management system:**

a. *Whether an occupational health and safety management system has been implemented by the entity? (Yes/No/N.A.).*

Yes

If yes, the coverage such system?

Heranba places a high priority on preserving and enhancing the health and safety of its employees. Employee workplace safety is the cornerstone of the Company's sustainability approach. The Company has put in place thorough compliance measures at all touch points to ensure everyone's safety.

All manufacturing facilities, offices are covered by the Safety & Health Management system, which also ensures the protection of the environment, the health and safety of all employees, contractors, visitors, and other important stakeholders. The Company has also adopted a BRSR policy for environmental protection, health, and safety, which is available on https://www.heranba.co.in/wp-content/uploads/2023/07/BRSR-Policy-Heranba.pdf

b. *What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?*

Heranba has a risk management system to carry out the evaluation of work-related hazards and risks for all routine and non-routine operations carried out at any site. The management identify hazards and risks after consulting with safety specialists. To get rid of the risks and hazards identified, a mitigation strategy which involves evacuating the employees and other occupants in the event of an emergency are offered.

The employees and workers also provided with protective gear wherever required. In case of any emergency, the following facilities are available:

- Well-equipped OHC with 24x7 male nurse available.
- Well-equipped Ambulance with trained Driver cum mechanic 24X7 available.
- Appointed Factory Medical Officer (FMO).
- First Aid Treatment available in OHC.
- First Aid Boxes provided & maintained.
- Mutual Aid facility of Ambulance available with Local Association.
- Agreement with outside hospital for emergency treatment as Mutual Aid.
- Periodic medical check-up.

c. *Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?*

Yes. Internal controls and processes are in place within the Company to report hazards at work immediately. Additionally, we have a safety observation and incidents reporting system to make sure that any work-related incidents, such as accidents, near-misses, unsafe conditions, and unsafe activities, are reported, followed by the closing of the incident after implementing the required corrective actions.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services?

Yes, Heranba recognizes that its employees' overall physical and mental health plays a vital role to Company success and long- term goals of expansion. We also think it's important to give workers a workplace where their needs for money are addressed in addition to their salary. All employees of the Company are eligible for a range of health and wellness perks, including accident and medical insurance for benefit in the case of an accident or serious sickness. In addition, Heranba provides routine check-ups and wellness programmes, as well as free, wholesome meals for the workers and employees in the Factory.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY (2023-24)	PY (2022-23)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.31	2.00
	Workers	1.31	2.00
Total recordable work-related injuries	Employees	1	3
	Workers	4	6
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

At Heranba, we think that keeping everyone safe-including our employees, our guests, and the general public—is essential to our long-term success. We continue to believe that having a safe and healthy workplace is both a legal requirement and a basic human right. As part of our sustainability vision, we have set the aim of achieving "Zero Harm" and zero reportable injuries across all of our operations.

The following are some of the mitigating strategies to avoid or lessen severe consequences on occupational health and safety:

- Providing and maintaining up to date fire detection, alarm, and suppression systems.
- Providing a Safety training to all Company employees and contract workers.
- Conducting routine site reviews, inspections, and audits to gauge readiness for safety.
- Regular simulations of both fire and medical emergencies.
- Regular training on occupational health & safety training to sensitize employees on occupational health & safety.
- Regular medical check-up facility available every week.
- Mutual Aid facility of Ambulance is available through connection with Local association.
- Oxygen cylinder kit available for emergency purpose.

13. Number of Complaints on the following made by employees and workers:

	FY (2023-24)			PY (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions:

In all of its locations, Heranba keeps track on accident rates. The strong commitment of management and employees to maintain a safe workplace by following the Company's established management approach and adopting a health and safety-first mentality in the performance of duties is credited with the overall reduction in health and safety incidents.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of:**

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	Yes

Heranba has a compensation policy in place for its employees and permanent workers and does provide aid in the event of a tragic incident, such as a death.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:**

The Company monitors and tracks the compliance related to statutory dues by contractors supplying third party resources as a part of regular checks while processing the invoices. Periodic audits are also conducted to ensure compliance.

3. **Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (2023-24)	PY (2022-23)	FY (2023-24)	PY (2022-23)
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No/N.A.)**

No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

The Company conducts EHS, system & regulatory audits of the third parties, their warehouses and of suppliers at regular intervals to ensure compliance of various processes. Regular follow ups are being done to ensure implementation of suggested corrective/ preventive actions.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

In order to comprehend and meet stakeholders' expectations as well as build short-, medium-, and long-term Company strategies, the Company identifies and interacts with a variety of stakeholders. Employees, Shareholders, Customers, Communities, Suppliers, Government Authorities, Partners, and Vendors are among the internal and external groupings of important stakeholders defined based on their immediate impact on the operations and working of the Company.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	Annual General Meeting, Shareholder meets, email, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual report, quarterly results, media releases and Company/SE website.	Ongoing	To answer investor queries on financial performance To present business performance highlights to investors. To discuss the business outlook.
2	Customers	No	Website, distributor/ retailer/direct customer/MD, senior leader-customer meets/ visits, customer plant visits, Dealer's meet, group discussion, trade body membership, helpdesk, conferences, customer surveys.	Ongoing	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines/ manufacturing, climate change disclosures, Safety awareness and safe use of Agrochemicals.
3	Government and Regulatory Bodies	No	Websites, Emails, Meetings, Industry Forums, Submissions through online Regulatory portals or direct submissions to Regulatory office.	Ongoing	Policy and Regulatory Matters, Filing of Returns, Grant and maintenance of licenses to import, manufacture and market Company's products in India, and other regulatory approvals.
4	Suppliers	No	Supplier & vendor meets, Workshops, Dialogue, email, SMS, WhatsApp, joint events, presentations Supplier risk assessments.	Ongoing	Supply of material & services. Adopting sustainable & environment friendly policies.
5	Employees	No	Conferences, workshops, Publications, newsletters & reports, online portals, employee surveys, Idea management, internal communication One-on-one interactions Employee involvement in CSR activities.	Ongoing	Inform about important advances in the Company. Help the employees expand their knowledge in the industry. Getting employee feedback and resolving their issues.
6	Communities & NGO	No	Meets of community/ local authorities/location heads, community visits and projects, partnership with local charities, NGO volunteerism, seminars/ conferences, CSR Partner's meet.	Ongoing	Farmer Safety Kit, Clean water, Green Bio Toilet, Tree Plantation, Distribution of appliances for Physically Impaired, Corrective Surgery - Cleft Lip/ Cleft Palate, Natural Resource Management, community development, livelihood support, disaster relief, Education, Skill development etc.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

   The management of the Company regularly engages with important stakeholders, including customers, suppliers, employees, etc., in an effort to improve value generating methods.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics?**

   Yes

   If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   In order to identify and manage environmental and social issues, stakeholders are consulted. We interact with our stakeholders to identify all facets of societal, environmental, and economic problems. We think that including stakeholders improves accountability, transparency, responsiveness, compliance, organizational learning, and sustainability. We interact with our stakeholders through a variety of methods of engagement to learn about their top environmental, social, and governance concerns.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups:**

   The Company engages with vulnerable and marginalized communities through its CSR programmes which are targeted to benefit vulnerable and marginalized stakeholder groups. For more details, please refer to the CSR initiatives mentioned under Annual Report.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	555	90	16.22%	505	32	6.34%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	**555**	**90**	**16.22%**	**505**	**32**	**6.34%**
Workers						
Permanent	320	190	59.38%	313	43	13.74%
Other than permanent	998	90	9.02%	720	25	3.47%
Total Workers	**1318**	**280**	**21.24%**	**1033**	**68**	**6.58%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**555**	**0**	**0.00%**	**555**	**100.00%**	**505**	**0**	**0.00%**	**505**	**100.00%**
Male	539	0	0.00%	539	100.00%	490	0	0.00%	490	100.00%
Female	16	0	0.00%	16	100.00%	15	0	0.00%	15	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	**0**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0**	**0.00%**	**0**	**0.00%**
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	**320**	**0**	**0.00%**	**320**	**100.00%**	**313**	**0**	**0.00%**	**313**	**100.00%**
Male	319	0	0.00%	319	100.00%	312	0	0.00%	312	100.00%
Female	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	**998**	**0**	**0.00%**	**998**	**100.00%**	**720**	**0**	**0.00%**	**720**	**100.00%**
Male	953	0	0.00%	953	100.00%	691	0	0.00%	691	100.00%
Female	45	0	0.00%	45	100.00%	29	0	0.00%	29	100.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

3. **Details of remuneration/salary/wages, in the following format:**

   a. *Median remuneration/wages:*

	Male		Female		Other	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	4	3200000	0	0	0	0
Key Managerial Personnel	2	3000000	0	0	0	0
Employees other than BoD and KMP	539	525000	16	545000	0	0
Workers	1272	346000	46	296000	0	0

   b. *Gross wages paid to females:*

Particulars	FY (2023-24)	PY (2022-23)
Gross wages paid to females	13625833.00	15433652.00
Total wages	658100000.00	587700000.00
Gross wages paid to females (Gross wages paid to females as % of total wages)	2.07%	2.63%

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   According to the Company's human rights policy, employees can address any complaints or grievances to line management. Any employee or an associate who expresses concerns in accordance with the policy is not subject to retribution or reprisals. To look into the issues that have been reported, a committee will be established or assigned by next financial year. The Committee will be in charge of assessing the reported problems and seeing to it that they are resolved. The Committee might also make a reasonable recommendation in conjunction with Line Management.

   Heranba is committed to upholding the human rights of its employees, communities, contractors, and suppliers in accordance with the Rights of Work described by the regulatory authorities. Heranba recognises the significant role that business can play in ensuring the long-term protection of human rights.

   To guarantee that complaints are handled quickly and effectively, the Company has created a human rights policy that works in tandem with the grievance policy.

   The policy can be access at https://www.heranba.co.in/policies/.

6. **Number of Complaints on the following made by employees and workers:**

	FY (2023-24)			PY (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

		FY (2023-24)	PY (2022-23)
i)	Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
ii)	Female employees/workers	62	45
iii)	Complaints on POSH as a % of female employees/workers	0.00%	0.00%
iv)	Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Heranba is dedicated to granting equal opportunities to every individual and is intolerant of any form of harassment or discrimination, including those based on sexual orientation, age, handicap, nationality, or any other characteristic protected by the law. Our anti-discrimination, POSH, whistle-blower, and grievance redress guidelines make sure that our employees uphold our commitment.

Also, in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redress) Act, 2013 an internal committee (IC) has been established. They adhere to the procedures and rules outlined in the Act.

The Whistle-blower Policy guarantees that no Whistle-blower will be treated unfairly as a result of reporting a "Protected Disclosure" in accordance with the policy. The Company, as a matter of policy, strongly disapproves of any form of victimisation, discrimination, harassment, or any other unfair employment practise used against whistle-blowers. Therefore, whistle-blowers will be completely protected from any unfair practises such as retaliation, threats of termination or suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like, as well as any direct or indirect use of authority to obstruct the whistle-blower's right to continue performing his or her duties or functions, including making additional reports and safeguard disclosure.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No/N.A.)**

No

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	100.00%
Sexual harassment	100.00%
Discrimination at workplace	100.00%
Wages	100.00%
Others – please specify	

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Not Applicable

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints:**

   There have been zero complaints or grievances about human rights as of the publication date of the report.

2. **Details of the scope and coverage of any Human rights due-diligence conducted:**

   At Heranba, adherence to the human rights policy is essential. Going forward in the near future, we want to make sure that our Company's operations and our suppliers uphold regulations pertaining to human rights.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, There are ramps at the Company's registered office, corporate office, and other locations for visitors with special needs. The majority of offices are located in commercial buildings with infrastructure for visitors with disabilities, lifts or on the ground floor.

4. **Details on assessment of value chain partners:** Nil

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above:**

   Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

   Whether total energy consumption and energy intensity is applicable to the Company? Yes

Particulars	FY (2023-24)	PY (2022-23)
Revenue from operations (in Rs.)	12747500000.00	13243800000.00

Particulars	Units	FY (2023-24)	PY (2022-23)
From renewable sources			
Total electricity consumption (A)	Kilojoule (KJ)	640800000.00	0.00
Total fuel consumption (B)	Kilojoule (KJ)	0.00	0.00
Energy consumption through other sources (C)	Kilojoule (KJ)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	Kilojoule (KJ)	640800000.00	0.00
From non-renewable sources			
Total electricity consumption (D)	Kilojoule (KJ)	58706298000.00	105296238000.00
Total fuel consumption (E)	Kilojoule (KJ)	31099296758.00	10240570660.00
Energy consumption through other sources (F)	Kilojoule (KJ)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	Kilojoule (KJ)	89805594758.00	115536808660.00
Total energy consumed (A+B+C+D+E+F)	Kilojoule (KJ)	90446394758.00	115536808660.00
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	Kilojoule (KJ)/Rs.	7.09	8.72

Particulars	Units	FY (2023-24)	PY (2022-23)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	Kilojoule (KJ)/Rs.	155.98	200.56
Energy intensity in terms of physical Output	Kilojoule (KJ)	2656657.85	4341765.40
Energy intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?**

   No

   If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

   Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Particulars	FY (2023-24)	PY (2022-23)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	94569.00	104693.00
(iv) Seawater/desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	94569.00	104693.00
Total volume of water consumption (in kilolitres)	94569.00	104693.00
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.0000074186	0.0000079051
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.000163	0.000182
Water intensity in terms of physical output	2.80	3.90
Water intensity (optional) the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements.

4. **Provide the following details related to water discharged:**

Particulars	FY (2023-24)	PY (2022-23)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00

Particulars	FY (2023-24)	PY (2022-23)
(ii) To Groundwater	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iii) To Seawater	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	17617.00	19429.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	17617.00	19429.00
(v) Others	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	**17617.00**	**19429.00**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge?**

   No

   If yes, provide details of its coverage and implementation.

   Not Applicable

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

   Whether air emissions (other than GHG emissions) by the entity is applicable to the Company?

   Yes

Particulars	Please specify unit	FY (2023-24)	PY (2022-23)
NOx	Parts Per Million (PPM)	9.00	9.00
SOx	Parts Per Million (PPM)	24.00	24.00
Particulate matter (PM)	mg/Nm3	89.00	89.00
Persistent organic pollutants (POP)	Kilotonne	0.00	0.00
Volatile organic compounds (VOC)	Parts Per Million (PPM)	7.80	5.50
Hazardous air pollutants (HAP)	Kilotonne	0.00	0.00
Others – please specify		Nil	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the Company? Yes

Parameter	Unit	FY (2023-24)	PY (2022-23)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MtCO2e	0.00	0.00
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MtCO2e	19233.97	25360.93
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	MtCO2e/Rs.	0.0000015088	0.0000019149
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	MtCO2e/Rs.	0.000033	0.000044
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MtCO2e	0.56	0.95
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements.

8. **Does the entity have any project related to reducing Green House Gas emission?**

Yes

If Yes, then provide details.

The Company has streamlined its procedures to get closer to this unified goal by aligning its emissions management strategy with the global goals of reducing carbon footprint and managing climate change risks. In addition to being essential to the Company's future business operations, reducing GHG emissions is also a key component of its long-term environmental plan. The Company is dedicated to energy saving and makes sure that all of its operational facilities use energy efficiently. A key component of the Company's strategy for sustainable operations is energy management. Facilities are operated with the intention of reducing the amount of energy used in the processes, which directly affects carbon emissions. We've also added a waste reduction programme and installed solar power as part of our effort to lower GHG emissions.

9. **Provide details related to waste management by the entity, in the following format:**

Particulars	FY (2023-24)	PY (2022-23)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	16.46	1.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	0.92	1.025

Particulars	FY (2023-24)	PY (2022-23)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0.00	0.00
Total (A+B + C + D + E + F + G + H)	17.38	2.025
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0000000014	0.0000000002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000000308	0.000000046
Waste intensity in terms of physical output	0.0005104981	0.0000760976
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.92	2.025
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	**0.92**	**2.025**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	273.207	207.165
(ii) Landfilling	112.38	115.315
(iii) Other disposal operations	0.00	0.00
Total	**385.587**	**322.48**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The generation of waste is an unavoidable waste of industry, although efforts have been made to recover value from waste. The Company has adopted processes and procedures that help recycle used material and reintroduce excess material into the production process in an effort to remove a sizable amount of waste from landfills. For waste management, the corporation employs the "3R" strategy of reduce, reuse, and recycle.

The Company follows legally prescribed procedures as under:

- We are segregating Low COD & High COD effluent for treatment of effluent as per the Pollution Control Board Norms. And Low COD effluent treated in conventional ETP and High COD effluent treated in MEE followed by Stripper and ATFD.

- We are handling & managing storage, transportation & disposal of Hazardous waste as per the Pollution Control Board Guidelines & Rules.

- We have Installed Online Continuous Environmental Monitoring System & connected with State Pollution Control Board & Central Pollution Control Board.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with?	If no, the reasons thereof and corrective action taken, if any.
Nil				

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Sr. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Nil						

13. **Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/N.A.).**

Yes

If not, provide details of all such non-compliances, in the following format:

Not Applicable

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility/plant located in areas of water stress, provide the following information:

i. **Name of the area:** Heranba Industry Ltd., GIDC, Vapi and Sarigam

ii. **Nature of operations:** Manufacture of Agrochemical products & Formulations

iii. **Water withdrawal, consumption and discharge in the following format:**

Particulars	FY (2023-24)	PY (2022-23)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	94569.00	104693.00
(iv) Seawater/desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres)	94569	104693
Total volume of water consumption (in kilolitres)	94569.00	104693.00
Water intensity per rupee of turnover (Water consumed/turnover)	0.0000074	0.0000079
Water intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00

Particulars	FY (2023-24)	PY (2022-23)
(ii) Into Groundwater	0	0
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iii) Into Seawater	0	0
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	17617	19429
No treatment	0.00	0.00
With treatment – please specify level of treatment	17617.00	19429.00
(v) Others	0	0
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	17617	19429

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Whether total Scope 3 emissions & its intensity is applicable to the Company?

Parameter	Unit	FY (2023-24)	PY (2022-23)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MtCO2e	19233.97	16996.39
Total Scope 3 emissions per rupee of turnover	MtCO2e/Rs.	0.0000015	0.0000013
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MtCO2e	0.00	0.00

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Kalptaru Pollution Control Sch-II Environmental Auditor & Safe Skill Services, two approved external agencies, have performed environmental Audit & safety audits in accordance with requirements

3. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable as our units operate in GIDC.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
		Nil		

5. **Does the entity have a business continuity and disaster management plan?**

Yes

Details of entity at which business continuity and disaster management plan is placed or weblink.

The Company has put in place policies to ensure that mission-critical operations continue in the event of a disruption as it recognizes the value of business continuity in its operations.

Hence, we have implemented the concept of emergency plan and following list represents the main elements of the emergency plan created for all plants:

- A detailed emergency response for each hazard scenario, including all likely dangers, their location, potential, damaging capacity, and in the event of accidents, dangerous occurrences, emergencies, and catastrophes occurring in or affecting the jurisdiction at any moment.
- An emergency response team including a site main controller, an incident controller, a first aid team, a firefighting team, a communications team, and teams for electricity and utilities is on the scene.
- The duties and responsibilities of the emergency response team's main members and their replacements.
- The emergency control center's bare minimal infrastructural requirements.
- A list of regulatory organizations along with contact information.
- A list of the phone numbers and addresses of nearby hospitals
- On site emergency plan updating at regular interval.
- Safety audit conducting at regular interval and compliance of findings.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No such incident has being reported/informed to us. The Company provides awareness and training to the farmers to ensure proper and safe handling and uses of agrochemical products

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   The Company is affiliated with six (6) trade and industry chambers/associations.

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Bombay Chamber of Commerce and Industry	State
2	Crop Care Federation of India	National
3	Pesticides Manufacturers & Formulators Association of India	National
4	CHEMEXCIL – Basic Chemicals, Cosmetics & Dyes Export Promotion Council	National
5	Haryana Pesticides Manufacturer's Association	State
6	Indian Bunts Chamber of Commerce & Industry	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Sr. No.	Name of authority	Brief of the case	Corrective action taken
Not Applicable. Since we did not obtain any such unfavorable directives from regulatory bodies about any matter involving anti-competitive behaviour, no such corrective action was undertaken.			

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
			Nil		

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Sr. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
Not Applicable. Currently the organization has not undertaken Social Impact Assessment projects.						

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PFAs)	% of PFAs covered by R&R	Amount paid to PFAs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community:**

The Grievance Redressal Mechanism (GRM), which gives us the social license to run and carry out programmes for community initiative, is an essential element of ensuring our solid relationship with the community. We have employed local staff members who frequently visit the neighbourhood and engage with residents to learn about and address community problems as part of our grievance redress procedure. These interactions indicate that we are not currently aware of any particular community complaints.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY (2023-24)	PY (2022-23)
Directly sourced from MSMEs/small producers	17.21%	8.88%
Sourced directly from within the district and neighbouring districts	82.79%	91.12%

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:**

			FY (2023-24)	PY (2022-23)
1.	**Rural**			
	i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis)	0.00	0.00
	ii)	Total Wage Cost	658100000.00	587700000.00
	iii)	% of Job creation in Rural areas	0.00	0.00
2.	**Semi-urban**			
	i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis)	0.00	0.00
	ii)	Total Wage Cost	658100000.00	587700000.00
	iii)	% of Job creation in Semi-Urban areas	0.00%	0.00%
3.	**Urban**			
	i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis)	432500000.00	438700000.00
	ii)	Total Wage Cost	658100000.00	587700000.00
	iii)	% of Job creation in Urban areas	65.72%	74.65%
4.	**Metropolitan**			
	i)	Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis)	225600000.00	149000000.00
	ii)	Total Wage Cost	658100000.00	587700000.00
	iii)	% of of Job creation in Metropolitan area	34.28%	25.35%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Sr. No.	Details of negative social impact identified	Corrective action taken
Not Applicable		

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. No.	State	Aspirational District	Amount spent (In INR)
No CSR activities on designated aspirational districts identified by Government			

3.
   (a) *Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No/N.A.)* Not Applicable

   (b) *From which marginalized/vulnerable groups do you procure?* Not Applicable

   (c) *What percentage of total procurement (by value) does it constitute?* Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Nil				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Sr. No.	Name of authority	Brief of the Case	Corrective action taken
Not Applicable			

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
No CSR projects on designated aspirational districts identified by Government			

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

   We have a procedure in place to handle customer complaints based on the severity of complaints. Additionally, we have a feedback mechanism in place through which we continuously improve our system. Any customer having any complaints can email at sales@heranba.com.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0.00%
Safe and responsible usage	100.00%
Recycling and/or safe disposal	0.00%

3. **Number of consumer complaints in respect of the following:**

	FY (2023-24)			PY (2022-23)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Cyber-security	0	0	0	0	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other	0	0	0	0	0	0

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy?**

   We do not have any formal policy/framework. However we have Fortinet firewall and data backup plan.

   If available, provide a web-link of the policy

   N.A.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   There was no incident during the current fiscal year.

7. **Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0.00%
c. Impact, if any, of the data breaches	No impact

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information related to all the products and services provided by the organization are available on the www.heranba.co.in.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**

   The Usage and Safety Instructions are mentioned on the Product Packaging as per the prevailing Laws/Guideline issued by the Government.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws?**

   No

   If yes, provide details in brief.

   N.A.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole?

   Yes

Independent Auditor's Report

To
The Members of
Heranba Industries Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the Standalone Financial Statements of Heranba Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity the Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1.	**Revenue Recognition** The timing of revenue recognition is relevant to the reported performance of the Company. We identified revenue recognition as a key audit matter because of the quantum of revenue and the time and audit effort involved in auditing the terms of the customers contract and the revenue recognized.	**Our procedures included, amongst others:** • We assessed the compliance of the revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS"). • We evaluated the design and operating effectiveness of the relevant key financial controls with respect to revenue recognition on selected transactions. • Using statistical sampling, we tested the terms of the revenue contracts against the recognition of revenue based on the underlying documentation and records and evaluated accuracy and existence of the revenue being recognised in the correct accounting period. • We tested the accuracy and existence of revenue recognized at year end. On a sample basis, we evaluated the revenue being recognised in the correct accounting period. We have assessed the adequacy of disclosures in the standalone financial statements against the requirements of Ind AS 115, Revenue from contracts with customers.

Sr. No.	Key Audit Matter	Auditors' Response
2.	**Inventory Valuation** Inventory represents a significant portion of total assets as at March 31, 2024, with carrying value of Rs. 244.43 crores. Inventories are valued at lower cost and net realizable value. The Company writes down inventories to net realizable value on account of obsolescence, expiry and non-moving inventory, based on management's assessment. Assessing net realizable value and identification of slow moving, expired and obsolete inventory are areas which require use of significant judgements and owing to the inherent complexities, this is considered to be a key audit matter.	**Our procedures included, amongst others:** • We understood and evaluated the process relating to determination of net realizable value of inventories and identification of slow moving, expired and obsolete inventories. • We attended stock counts to identify whether any inventory was obsolete. • We assessed the basis for the inventory valuation, the consistency in policy and the rationale in its application. • We tested the accuracy of the ageing of inventories based on system generated reports. • We reviewed the testing done for net realizable value of inventories and future plans for consumptions. • We tested the arithmetical accuracy of valuation files. We have assessed the appropriateness of disclosures in the Standalone Financial Statements in accordance with the applicable accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon. Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon. We have read the Director's Report forming part of the Annual Report which was made available to us and found the same to be in order. However, the other contents of the Annual Report are expected to be made available to us after the date of this report.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Substantial portion of the Other Information has not been made available to us till the date of this report. We will read the Other Information as and when it is made available to us and if conclude that there is a material misstatement, we are required to communicate the matter with those charged with governance and take necessary steps as may be required thereafter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act and the relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the attached **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

f. With reference to maintenance of accounts and other matter therewith, reference is invited to paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended.

g. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 34 to the Standalone Financials Statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses,

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a. The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") except as disclosed under note 4 of Financial Statement with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries;

   b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   c. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv) (b) above contain any material misstatement.

   v. In the matter of dividend proposed, declared and paid during the year:

   a. The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act.

   b. As stated in note no 45 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of the dividend proposed is in accordance with Section 123 of the Act.

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   vi. Based on our examination which included test checks, except for instances/matters mentioned below, the Company, in respect of financial year commencing on April 01, 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except:

i. the audit trail feature was not enabled at the database level for accounting software "Navision" to log any direct data changes, used for maintenance of all accounting records by the Company.

ii. At present the audit trail is preserved only for a period of six months and all audit trails beyond six months are not preserved due to space constraints. Further, Back up of the audit trail has not been preserved as per statutory requirements for record retention due to cloud space constraints.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024. However, considering the fact that audit trail beyond six months are not preserved, the Company will not be in a position to preserve records as per the requirements of the Companies Act relating to record retention.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441
UDIN: 24040441BKFTGX7214

Place: Mumbai
Dated: May 27, 2024

Annexure A to the Auditors' Report

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Heranba Industries Limited of even date

To the best of our knowledge and information, audit procedures followed by us, according to the information provided to us by the Company and the examination of the books of account and records in the normal course of audit, we state that.

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment including right of use assets and non-current asset held for sale.

(B) There are no intangible assets and hence this clause is not applicable to the Company.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) We have verified the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements and based on such verification we confirm that the same are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) There is no proceedings initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The discrepancies wherever noted have been properly dealt with in the books of account of the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements have been filed by the Company. We draw attention to Statement 1 attached to the Standalone Financial Statements stating reasons for which quarterly statement filed with banks are not in line with the books of account of the Company.

(iii) (a) The Company has provided guarantee, and the Company has also provided unsecured loans to companies, details of which are given hereunder:

Particulars	Guarantee	Security	Loans	Advances in the Nature of Loans
Aggregate amount granted/provided during the year	29.49	-	246.46	-
- Subsidiaries	29.49	-	246.46	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of such cases				
- Subsidiaries	29.49	-	299.65	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-

(b) The guarantee provided, and the terms and conditions of the grant of loans and advances to the wholly owned subsidiaries of the Company are prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company the schedule of repayment of principal and interest have been stipulated. No repayments were due during the year.

(d) There is no overdue amount in respect of loans given.

(e) There has been no loan or advance in the nature of loan granted which has fallen due during the year and, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Act with respect of loans granted, investments made, guarantees and security provided.

(v) The Company has not accepted deposits from the public or amounts that are deemed to be deposits pursuant to Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal in respect of the said Sections.

(vi) The maintenance of the cost records under the sub-section (1) of Section 148 of the Act has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Act, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount is payable in respect of the aforesaid dues were outstanding as at March 31, 2024, for a period of more than six months from the date they became payable except as given below:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Income Tax Act	Advance Tax	Rs. 4.70 Crores	AY 2024-24	15/09/2024	NA	Unpaid
The Provident Funds Act	Provident Fund	Rs. 0.01 Crores	Prior to April23	Prior to Apr23	NA	Unpaid
Income Tax Act	TDS	Rs. 0.09 Crores	Prior to April23	Prior to Apr23	NA	Unpaid

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except as given below:

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where dispute is pending
Excise Duty/Custom Duty	Excise Duty/Custom Duty Demands	0.06	2012-13	Division officer
Excise Duty/Custom Duty	Excise Duty/Custom Duty Demands	10.00	Various years	Write petition filed
Goods & Service Tax	GST Tran 1	0.27	GST Tran 1	Commissioner Appeal
Goods & Service Tax	Scrutiny of Annual Return	1.01	FY 2017-18	Appeal pending
Goods & Service Tax	Scrutiny of Annual Return	6.39	FY 2018-19	Appeal pending
Goods & Service Tax	ITC reversal	0.27	One vendor	SGST Enforcement Department
VAT UP	VAT Liability	0.45	FY 2014-15	Add. Comm - Appeals
VAT UP	VAT Liability	0.16	FY 2013-14	Add. Comm - Appeals
Income tax	Income Tax and Interest	4.69	AY 2018-19	CIT Appeal
Income tax	Income Tax and Interest	0.22	AY 2019-20	CIT Appeal
Income tax	Income Tax and Interest	0.65	AY 2020-21	CIT Appeal

Name of the statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where dispute is pending
Income tax	Income Tax and Interest	0.82	AY 2021-22	CIT Appeal
Income tax	Income Tax	1.14	AY 2023-24	143(1)notice
Income tax	TDS	0.76	Various earlier years	online rectification pending
	Total	**26.89**		

(viii) There are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not delayed or defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loans during the year.

(d) No funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debenture fully or partly or optionally convertible debentures during the year under audit.

(xi) (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of Section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(c) No whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii) (b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued during the year and till date, for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors.

(xvi) (a) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act 1934 and hence sub-clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) and 3(xvi)(d) of the Companies (Auditors Report) Order, 2020 is not applicable to the Company.

(b) There are no core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (3)(xviii) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company did not have to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013.

(b) There are no ongoing projects, and accordingly clause (3)(xx)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441
UDIN: 24040441BKFTGX7214

Place: Mumbai
Dated: May 27, 2024

Annexure - B to the Auditors' Report

Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Heranba Industries Limited of even date

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Heranba Industries Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS.

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441
UDIN: 24040441BKFTGX7214

Place: Mumbai
Dated: May 27, 2024

(All figures are Rupees in crores unless otherwise stated)

Standalone Balance Sheet

As at 31st March 2024

Particulars	Note No.	As at 31st March 2024	As at 31st March 2024
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	2A	239.66	185.99
(b) Capital work-in-progress	2B	11.32	42.04
(c) Financial assets			
(i) Investments	3	1.83	0.92
(ii) Loans	4	299.65	53.19
(iii) Other financial assets	5	6.58	5.81
(d) Deferred tax assets (Net)	6	11.52	7.09
(e) Other non-current assets	7	5.02	6.78
Total Non-Current Assets		**575.58**	**301.82**
Current Assets			
(a) Inventories	8	244.43	297.16
(b) Financial assets			
(i) Investments	3	-	-
(i) Trade receivables	9	498.35	387.59
(ii) Cash and cash equivalents	10	12.06	99.26
(iii) Bank balances other than (iii) above	11	10.36	19.37
(iv) Other financial assets	5	2.65	2.86
(c) Other current assets	7	33.33	29.34
Total Current Assets		**801.18**	**835.58**
Non-Current Assets held for Sale	2C	21.90	21.90
TOTAL ASSETS		**1,398.67**	**1,159.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	40.01	40.01
(b) Other equity	13	837.45	776.10
Total Equity		**877.46**	**816.11**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long-Term Borrowings		-	-
(ii) Lease Liabilities	14	3.62	3.51
(iii) Other Financial Liabilities	15	-	-
(b) Other Non-current liabilities	19	0.18	-
(c) Provisions	16	10.78	8.94
Total Non-Current Liabilities		**14.58**	**12.45**
Current Liabilities			
(a) Financial Liabilities			
(i) Short-Term Borrowings	17	139.49	89.01
(ii) Lease Liabilities	14	0.39	0.48
(iii) Trade payables	18		
- Dues of Micro and Small Enterprise		28.83	14.47
- Dues of Other than Micro and Small Enterprise		258.11	172.12
(iv) Other Financial Liabilities	15	42.77	37.54
(b) Other current liabilities	19	14.91	7.70
(c) Provisions	16	1.53	1.63
(d) Current tax Liabilities (Net)	20	20.60	7.79
Total Current Liabilities		**506.63**	**330.74**
Total Liabilities		**521.21**	**343.19**
Total Equity and Liabilities		**1,398.67**	**1,159.30**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

For & on behalf of the Board of Directors
Heranba Industries Limited

N. Jayendran
Partner
M. No.: 040441

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

Standalone Statement of Profit and Loss

For the year ended 31st March 2024

Particulars		Note No.	For the year 2023-24	For the year 2022-23
I	**Income**			
	Revenue from Operations	21	1,274.75	1,324.38
	Other Income	22	30.39	13.58
	Total Income		**1,305.14**	**1,337.96**
II	**Expenses**			
	Cost of materials consumed	23	830.40	907.99
	Purchase of stock in trade	24	16.23	7.09
	Changes in Inventories of Finished Goods and Work-in-Progress	25	45.33	(26.89)
	Employee Benefit Expenses	26	72.65	64.42
	Finance Costs	27	11.75	7.91
	Depreciation and Amortisation Expenses	28	24.85	22.59
	Other Expenses	29	213.54	210.71
	Total Expenses		**1,214.75**	**1,193.82**
III	**Profit before Tax**		**90.39**	**144.14**
IV	**Tax Expense**	30		
	(a) Current Tax		28.87	38.86
	(b) (Excess)/Short provision for taxation in respect of earlier years		(0.41)	(0.49)
	(c) Deferred tax charge/(credit)		(4.42)	(4.34)
			24.04	**34.03**
V	**Profit for the Year**		**66.35**	**110.11**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of the net defined benefit liability/asset		(0.02)	0.14
	- Taxes thereon		0.01	(0.03)
	Items that will be reclassified to profit or loss			
	- Fair Value of Investment			-
	- Time value of derivatives designated as cash flow hedges		-	0.11
	- Taxes thereon		-	(0.03)
VII	**Total Other Comprehensive Income**		**(0.02)**	**0.19**
VIII	**Total Comprehensive Income for the year**		**66.33**	**110.30**
	Earning per share (Basic and Diluted)	31	**16.58**	**27.52**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

For & on behalf of the Board of Directors
Heranba Industries Limited

N. Jayendran
Partner
M. No.: 040441

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

Statement of Standalone Cash Flow

For the year ended 31st March 2024

	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	**90.41**	**144.14**
	Adjustments for		
	Depreciation/Amortisation/Impairment of Property, Plant and Equipments	24.85	22.59
	Dividend Income	-	(0.00)
	Interest Income	(17.14)	(4.20)
	Interest Expenses	11.75	7.91
	Provision for Doubtful Receivables/Advances/Sundry balances written off	3.88	(0.96)
	Fair value of Investment	0.15	0.00
	(Profit)/Loss on sale of Property, Plant and Equipments (Net)	(0.10)	(0.06)
	Loss on Assets discard		-
	(Profit)/Loss on sale of Investments (Net)	(0.01)	(0.64)
	Unrealised foreign exchange (gain)/loss (Net)	(3.12)	(4.19)
	Sundry Balances Written back	(5.88)	(1.62)
	Remeasurement of the net defined benefit liability	(0.02)	0.14
	Operating Profit/(Loss) before changes in working capital	**104.76**	**163.11**
	Adjustment for (Increase)/Decrease in Operating Assets		
	Adjustments for decrease (increase) in inventories	52.73	(41.42)
	Adjustments for decrease (increase) in trade receivables, current	(116.86)	68.90
	Adjustments for decrease (increase) in other current assets	(3.65)	22.34
	Adjustments for other financial assets, non-current	(0.77)	2.26
	Adjustments for other financial assets, current	0.21	(0.27)
	Adjustment for Increase/(Decrease) in Operating Liabilities		
	Adjustments for increase (decrease) in trade payables, current	106.16	(60.70)
	Adjustments for increase (decrease) in other current liabilities	7.09	(5.98)
	Adjustments for provisions, current	(0.11)	(0.76)
	Adjustments for provisions, non-current	1.83	1.08
	Adjustments for other financial liabilities, current	4.18	8.97
	Adjustments for other financial liabilities, non-current		-
	Changes in working capital	**50.82**	**(5.58)**
	Cash flow from operations after changes in working capital	**155.59**	**157.52**
	Net Direct Taxes (Paid)/Refunded	(19.73)	(35.02)
	Net Cash Flow from/(used in) Operating Activities	**135.86**	**122.50**
[B]	**Cash Flow from Investing Activities**		
	Proceeds from sales of property, plant and equipment	1.06	0.09
	Purchase of property, plant and equipment	(43.81)	(61.31)
	Purchase of investment	(0.75)	(0.74)
	Investment in Subsidiary	-	(0.15)
	Proceeds from sales of Investment	0.01	2.08
	Loan given to Subsidiary	(246.46)	(53.19)
	Dividends received		0.00
	Interest received	17.14	4.27
	(Investment)/Proceeds from Bank Deposit	9.00	8.89
	Net Cash Flow from/(used in) Investing Activities	**(263.79)**	**(100.06)**
[C]	**Cash Flow from Financing Activities**		
	Net Proceeds from short term borrowings	55.88	(1.95)
	Payments of finance lease liabilities	(0.96)	(1.48)
	Dividends paid	(5.00)	(8.00)
	Interest paid	(9.18)	(6.65)
	Net Cash Flow from/(used in) Financing Activities	**40.74**	**(18.08)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(87.20)**	**4.36**
	Cash & Cash Equivalents at beginning of period (see Note 1)	99.26	94.90
	Cash and Cash Equivalents at end of period (see Note 1)	**12.06**	**99.26**

(All figures are Rupees in crores unless otherwise stated)

Statement of Standalone Cash Flow (CONTD.)

For the year ended 31st March 2024

NOTES:

	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
1.	**Cash and Cash equivalents comprises of:**		
	Cash on Hands	0.03	0.13
	Balance with Banks	12.03	53.94
	In deposit with maturity of less than three months	-	45.19
	Cash and Cash equivalents	**12.06**	**99.26**

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

For & on behalf of the Board of Directors
Heranba Industries Limited

N. Jayendran
Partner
M. No.: 040441

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

Standalone Statement of Changes in Equity

For the year ended 31st March, 2024

A. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2024			As at 31st March 2023		
	Number of shares	Face value Rs. per share	(Rs. In crores)	Number of shares	Face value Rs. per share	(Rs. In crores)
Opening balance	4,00,13,467	10.00	40.01	4,00,13,467	10.00	40.01
Changes due to prior period errors				-		-
Restated balance at the beginning of the current reporting period	**4,00,13,467**	**10.00**	**40.01**	**4,00,13,467**	**10.00**	**40.01**
Changes during the current year	-	-	-			
Balance at the end	**4,00,13,467**	**10.00**	**40.01**	**4,00,13,467**	**10.00**	**40.01**

B. OTHER EQUITY

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Debts Instruments through Other Comprehensive Income (Net of Tax)	Effective portion of Cash Flow Hedges (Net of Tax)	
Balance at 31st March, 2022	**58.18**	**0.25**	**46.75**	**568.72**	**0.63**	**(0.09)**	**674.44**
Profit for the year	-	-	-	110.11	-	-	110.11
Less: Classified to Profit and Loss on realisation	-	-	-	-	(0.63)		(0.63)
Items of Other Comprehensive Income: Remeasurement of net defined benefit	-	-	-	0.10	-	-	0.10
Time value of derivatives designated as cash flow hedges	-	-	-	-	-	0.08	0.08
Dividend Paid	-	-	-	(8.00)	-	-	(8.00)

(All figures are Rupees in crores unless otherwise stated)

Standalone Statement of Changes in Equity (CONTD.)

For the year ended 31st March, 2024

B. OTHER EQUITY (CONTD.)

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Debts Instruments through Other Comprehensive Income (Net of Tax)	Effective portion of Cash Flow Hedges (Net of Tax)	
Balance at 31st March, 2023	**58.18**	**0.25**	**46.75**	**670.93**	**-**	**(0.01)**	**776.10**
Profit for the year	-	-	-	66.35	-	-	66.35
Items of Other Comprehensive Income: Remeasurement of net defined benefit	-	-	-	(0.02)	-	-	(0.02)
Time value of derivatives designated as cash flow hedges	-	-	-	-	-	0.01	0.01
Dividend Paid	-	-	-	(5.00)	-	-	(5.00)
Balance at 31st March, 2024	**58.18**	**0.25**	**46.75**	**732.27**	**-**	**-**	**837.45**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441

Place: Mumbai
Dated: May 27, 2024

For & on behalf of the Board of Directors
Heranba Industries Limited

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

Notes to the Standalone Financial Statements

For the year ended March 31, 2024

1. COMPANY OVERVIEW

Heranba Industries Limited is a public limited Company domiciled in India, incorporated in 1992 under the Companies Act, 1956. The Company is principally engaged in the business of manufacturing and sale of Agro chemical products. The registered office of the Company is located at Vapi, Gujarat The Standalone financial statements are approved for issue by the Company's Board of Directors on May 27, 2024

2. STATEMENT OF COMPLIANCES

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

3. BASIS OF PREPARATION, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND MATERIAL ACCOUNTING POLICY INFORMATION:

3.1 Basis of Preparation of Standalone Financial Statements

- The Standalone financial statements of the Company comprises the statement of assets and liabilities as at March 31, 2024, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, the statement of cash flow for the year ended March 31, 2024, the summary of statement of significant accounting policies, and other explanatory information (collectively, the "Financial Statements").

- These Standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the financial statements.

- The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

- Accounting policies have been consistently applied except where newly issued India accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- The Standalone financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

3.2 Significant accounting judgments, estimates and assumptions

The preparation of Standalone financial statements requires management's judgments, estimates and assumptions that impacts the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes thereon. Uncertainty about these assumptions and estimates could result in outcomes that might require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates

The preparation of the Standalone financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgments

The Company's management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements, while formulating the Company's accounting policies:

a. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases, attrition rates and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operating in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Impairment of property, plant and equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. As at the end of the year no judgement were exercised in this regard which impacts the useful life or the depreciation rates.

d. Impairment of investment in subsidiaries and investments

For determining whether the investments in subsidiaries, joint ventures and associates as well as other investments are impaired requires an estimate in the value in use of investments. In considering the value in use, the Company has estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments. The management assesses that all the investment are strategic fit for the Company and therefore do not need any impairment provisioning as at the year end.

e. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

f. Recognition and measurement of other provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, past experience and circumstances known at the closing date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3.3 Recent pronouncements

There has been no recent accounting pronouncements made by Ministry of Corporate Affairs relating to the Companies (Indian Accounting Standards) Rules, 2015:

3.4 Material Accounting policies Information

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property Plant and Equipment, Investment Property and Depreciation/Amortisation

A. Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. On transition to IND AS for the first time, the Company adopted the deemed cost approach mentioned in Ind AS 101 – First time adoption in respect of its Property, Plant and Equipment.

B. Depreciation is provided on written down value based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/ disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Plant & Machinery	20
Servers and networks	6
Computer desktops and laptops	3
Laboratory Equipment's	10
Office Equipment's	5
Plumbing and Piping	20-25
Electrical Installation	10
Factory Building	30
Non-Factory Buildings	60
Vehicles	8
Furniture and Fixture	10
Leasehold Land	Over Primary Lease period

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

c) Asset classified as Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Assets are not depreciated or amortized while they are classified as held for sale. Assets classified as held for sale are presented separately from the other assets in the balance sheet.

d) Investments

i) Investment in Subsidiary

Investments in Subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

ii) Other Investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis. Equity investments at FVTOCI are subsequently measured at fair value through OCI. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Investments other than the above are classified as FVTPL and are subsequently measured at fair value. The net gains and losses, including any dividend income, are recognised in profit or loss.

e) Inventories

All inventories are stated at lower of 'Cost and Net Realizable Value':

i. Stores and spares, packing materials and raw materials are valued at lower of cost and net realisable value and for this purpose, cost is determined on First in First Out (FIFO) basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

ii. Finished products and Work in Progress are valued at lower of cost and net realisable value and for this purpose. Cost of finished goods and work in progress includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

iii. Traded goods are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated remaining costs of completion and the estimated costs necessary to make the sale.

f) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

g) Foreign currency transactions

i. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.

ii. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.

iii. Non-monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

iv. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

h) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle a reliably assessable obligation. Provisions are determined.

based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are also present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities are not recognized in the financial statements but are disclosed separately.

Contingent assets are not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.

i) Financial Assets

Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

i. Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR.

The EIR amortization is included in finance income in the statement of profit & loss. The losses arising from impairment are recognized in the statement of profit and loss.

ii. Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are measured at fair value through Other Comprehensive Income (OCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are subsequently measured at Fair Value. Interest Income under Effective Interest method, foreign exchange gains and losses and impairment losses are recognized in the statement of profit and Loss. Other net gains and losses are recognized in OCI.

iii. Financial asset not measured at amortised cost or at fair value through OCI is carried at Fair Value through Profit and Loss.

iv. Equity Investments

All Equity investments within the scope of Ind AS 109 are measured at Fair Value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For Equity instruments classified as FVOCI, all fair value changes in the instrument excluding dividends are recognized in OCI. Dividends on such equity instruments are recognized in the statement of Profit or loss.

De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

  The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the statement of Profit and Loss. Gains and losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to Profit and Loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to Profit or Loss on derecognition.

j) Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i) Recognition and Initial Measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Liability is initially measured at fair value plus, for an item not at fair value through profit and loss, net of transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through Profit or Loss (FVTPL)**

  Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial Liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

- **Financial liabilities at amortised cost**

  After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

l) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

m) Derivative financial instruments and Hedge Accounting

Derivative financial instruments such as forward contracts to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

n) Cash Flow Hedge

The Company designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold or terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

o) Impairment

a. financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial asset measured at amortized cost.

Loss allowances on trade receivables are measured following the 'Simplified Approach' at an amount equal to the Lifetime ECL at each reporting date. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In respect of other financial asset, the loss allowance is measured at 12-month ECL only, if there is no significant deterioration in the credit risk since initial recognition of an asset or asset is determined to have a low credit risk at the reporting date.

b. Impairment of Non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Revenue Recognition

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

Interest and dividend

Interest income including income arising on other instruments are recognised on time proportion basis using the effective interest rate method.

Dividend income is recognized when the right to receive dividend is established.

Export Benefits

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

q) Employee benefits

a) Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as define contribution plan and the contributions are recognised as employee benefit expense when they are due.

b) Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rs. is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered.

r) Borrowings and Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

s) Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

t) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares are adjusted retrospectively for all periods presented for any bonus shares issues.

u) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

v) Trade Payables & Trade Receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

w) A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at transaction values and subsequently measured at amortised cost using the EIR method (if there is a financing element), less provision for expected or lifetime credit loss.

x) Leases

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is:

1) increased by interest on lease liability;

2) reduced by lease payments made; and

3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e., at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short-term leases has been adopted by Company

y) Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments the chief operating decision maker regularly monitors and reviews the operating results of the whole Company as one segment of "Agro-Chemicals". Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss. The analysis of geographical segments is based on the areas in which customers of the Company are located.

(All figures are Rupees in crores unless otherwise stated)

Notes Forming Part of the Standalone Financial Statements

As at and for the year ended March 31, 2024

NOTE A. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold Land	Leasehold Land	Plant and Equipment	Buildings	Electrical Installation	Piping	laboratory Equipments	Office Equipment	Computers	Vehicles	Furniture & Fixtures	Right to Use Asset	Total
Gross Carrying Value													
Balance at 1st April, 2022	0.26	63.12	137.40	52.76	14.60	5.34	2.52	2.35	1.05	7.85	1.90	2.39	291.54
Additions	0.22	7.99	13.34	4.43	1.89	-	1.66	0.70	0.28	1.70	1.49	4.15	37.85
Asset Held for Sale	-	22.83	-	-	-	-	-	-	-	-	-	-	22.83
Disposals/Termination of Lease Arrangement	-	-	-	-	-	-	-	-	0.00	0.48	-	0.94	1.42
Balance at 31st March, 2023	0.48	48.28	150.74	57.19	16.49	5.34	4.18	3.05	1.33	9.07	3.39	5.60	305.14
Accumulated depreciation and impairment													
Balance at 1st April, 2022	-	2.47	63.05	13.66	6.77	4.73	0.62	0.74	0.81	3.40	0.92	0.95	98.12
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	0.00	0.45	-	0.18	0.63
Asset Held for Sale		0.93											0.93
Depreciation charge	-	0.73	10.90	4.25	2.08	0.07	0.71	0.85	0.24	1.50	0.27	0.99	22.59
Balance at 31st March, 2023	-	2.27	73.95	17.91	8.85	4.80	1.33	1.60	1.05	4.45	1.19	1.76	119.15
Net carrying value as on 31st March, 2023	**0.48**	**46.01**	**76.79**	**39.28**	**7.64**	**0.54**	**2.85**	**1.46**	**0.28**	**4.62**	**2.20**	**3.84**	**185.99**
Balance at 1st April, 2023	0.48	48.28	150.74	57.19	16.49	5.34	4.18	3.05	1.33	9.07	3.39	5.60	305.14
Additions	4.90	-	48.13	18.09	5.14	-	0.16	0.41	0.21	1.59	0.29	0.58	79.47
Asset Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Termination of Lease Arrangement	-	-	-	-	-	-	-	-	0.00	1.99	-	-	2.00
Balance at 31st March, 2024	5.38	48.28	198.87	75.28	21.62	5.34	4.34	3.46	1.54	8.67	3.68	6.17	382.62
Accumulated depreciation and impairment													
Balance at 1st April, 2023	-	2.27	73.95	17.91	8.85	4.80	1.33	1.60	1.05	4.45	1.19	1.76	119.15
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	0.00	1.03	-	-	1.03
Asset Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	0.60	12.24	4.94	2.29	0.06	0.77	0.70	0.21	1.66	0.61	0.76	24.85
Balance at 31st March, 2024	-	2.88	86.19	22.85	11.14	4.86	2.10	2.31	1.26	5.08	1.80	2.52	142.96
Net carrying value as on 31st March, 2024	**5.38**	**45.40**	**112.68**	**52.44**	**10.48**	**0.48**	**2.24**	**1.15**	**0.28**	**3.58**	**1.88**	**3.65**	**239.66**

The Company has carried out the exercise of assessment of any indication of impairment to its property plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no indicators of impairment to its property, plant and equipment as at balance sheet date.

(All figures are Rupees in crores unless otherwise stated)

B. Capital work-in-progress

Particulars	Total
Balance at 31st March, 2022	14.23
Addition	38.94
Less: Capitalised during the year	(4.12)
Less: Transfer during the year	(7.01)
Balance at 31st March, 2023	**42.04**
Addition	2.07
Less: Capitalised during the year	(24.26)
Less: Transfer during the year	(8.52)
Balance at 31st March, 2024	**11.32**

Foot Notes:

(i) Capital Work-in-Progress (CWIP) ageing schedule is as under:

CWIP (As on 31st March 2024)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 to 3 years	> 3 years	
Projects in progress					
Sarigam	0.92	8.60	-	-	9.52
Unit 1	0.79	-	-	-	0.79
Unit 2	0.35	-	-	-	0.35
Unit 4	-	-	0.66	-	0.66
Total	**2.07**	**8.60**	**0.66**	**-**	**11.32**

CWIP (As on 31st March 2023)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 to 3 years	> 3 years	
Projects in progress					
Sarigam	10.04	7.84	-	-	17.88
Unit 1	22.50	-	-	-	22.50
Unit 2	0.83	0.17	-	-	1.00
Unit 4	-	0.66	-	-	0.66
Total	**33.37**	**8.67**	**-**	**-**	**42.04**

For the year ended March 31, 2024 - Projects in progress consists of plant and equipment which are yet to be installed.

For the year ended March 31, 2023 - Projects in progress consists of buildings, plant and equipment which are under construction/ installation during the year which is nearing completion and is expected to be capitalized in FY 2024-25.

(ii) Contractual Obligation

Refer note no 33 on disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.

(iii) Property, Plant & Equipment taken on finance lease

The Property, Plant & Equipment includes leasehold land where the Company is a lessee under finance lease. The lease term in respect of leasehold land is long term lease with ability to opt for renewal of the lease term.

(All figures are Rupees in crores unless otherwise stated)

(iv) Completion schedule in respect of Capital-Work-in-Progress (CWIP) as on March 31, whose completion is overdue compared to its original plan is as under:

Particulars	As at 31-03-2024			As at 31-03-2023		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year		-	-		-	-
1-2 years		-	-	-	-	-
2-3 years	0.66	-	0.66	-	-	-
More than 3 years	-	-	-	-	-	-
Total	**0.66**	**-**	**0.66**	**-**	**-**	**-**

C. Assets Held for Sale

Particulars	Total
Balance at April 01, 2022	**-**
Addition	21.90
Less: Asset Sold	-
Balance at 31st March, 2023	**21.90**
Addition	-
Less: Asset Sold	-
Balance at 31st March, 2024	**21.90**

Assets held for sale represents the leasehold land which are earmarked for transfer to our wholly owned subsidiary which are pending for transfer. During the current year the Company initiated the process for getting approval from GIDC and has received approval for transfer of land situated at Sarigam. The application for transfer of Land situated at Saykha is made to GIDC which is yet to be approved by GIDC. Pending execution of Sale deed and transfer approval from GIDC the Company has continued to show the Asset as Non-Current Asset held for Sale. The process is expected to be completed in FY 2024-2025.

NOTE 3. INVESTMENTS

Particulars	As at 31st March 2024	As at 31st March 2023
Non-Current		
Investments in equity instruments (un-quoted) at cost:		
2,000 (PY: 2,000) Equity Shares of The Shamrao Vithal Co-op. Bank Ltd.	0.01	0.01
1,000 (PY: 1,000) Equity shares of Matrubhumi Co-op. Credit Society Limited	0.01	0.01
A)	**0.02**	**0.02**
Investments in equity instruments (At fair value through profit/loss) (quoted):		
41 (PY: 41) Equity Shares of United Phosphorus Ltd. (FV of Rs. 2) (Full Figure as March 31, 2024: Rs. 29,415.30 and as at March 31, 2023: Rs. 29,415.30)	0.00	0.00
200 (PY: 200) Equity Shares of Aditya Birla Money Ltd. (FV of Re. 1) (Full Figure as March 31, 2024: Rs. 9,110.00 and as at March 31, 2023: Rs. 9,110.00)	0.00	0.00
500 (PY: 500) Equity Shares of Gujarat State Financial Corporation Ltd. (FV of Rs. 10) (Full Figure as March 31, 2024: Rs. 3,000.00 and as at March 31, 2023: Rs. 3,000.00)	0.00	0.00
Less: Provision for Impairment (Full Figure as March 31, 2024: Rs. 41,525.30 and as at March 31, 2023: Rs. 41,525.30)	(0.00)	(0.00)
B)	**-**	**-**

(All figures are Rupees in crores unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
Investments in equity instruments (At fair value through profit/loss) (unquoted):		
150 Units (PY: 75 Units) Investment With Fireside Ventures Investment Fund (*)	1.35	0.75
C)	**1.35**	**0.75**
Other Investment (un-quoted)		
National Savings Certificates [Lodged with Government Departments as security]	0.01	0.01
D)	**0.01**	**0.01**
Investments in subsidiary (At Cost)		
50,000 (As at March 31, 2023 50,000) Equity Shares of Mikusu India Private Limited FV of Rs. 10 each	0.05	0.05
1,00,000 (As at March 31, 2023 1,00,000) Equity Shares of Heranba Organics Private Limited of FV of Rs. 10 each	0.10	0.10
E)	**0.15**	**0.15**
Quasi Equity of Equity Instruments in Subsidiaries (At Amortised Cost)		
Heranba Organics Private Limited (**)	0.31	-
F)	**0.31**	**-**
Total Non-Current Investments (A+B+C+D+E+F)	**1.83**	**0.92**
Aggregate amount of quoted investments	**-**	**-**
Aggregate amount of un-quoted investments	**1.83**	**0.92**

(*) The Company has made an investment in Alternate Investment Fund (AIF) of Rs. 1.50 Crores (Rs. 0.75 Crores in previous year). This investment is marked at fair value through profit and Loss (FVTPL). During the previous year in the absence of data of Fair Valuation as at March 31, 2023, the same is carried at its carrying value in books, although the same is accounted at FVTPL. The management does not expect the fair value changes to be material to the financial statements.

(**) Quasi Equity refers to Fair Value of Guarantee given for Financing Arrangement under Sale and Lease back arrangement for the Wholly Owned Subsidiary.

NOTE 4. LOANS

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Loans to Related Parties (Unsecured, Considered good)	299.65	53.19	-	-
Total	**299.65**	**53.19**	**-**	**-**

(a) Details of loans and advances in the nature of loan to subsidiaries, associates etc. as required under Schedule V(A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Company and relationship	Maximum outstanding during the year 2023-24	Balance as at March 31, 2024	Maximum outstanding during the year 2022-23	Balance as at March 31, 2023
Heranba Organics Private Limited - WOS	222.36	268.51	46.15	46.15
Mikusu India Private Limited - WOS	24.10	31.14	7.04	7.04
Total	**246.46**	**299.65**	**53.19**	**53.19**

WOS: Wholly Owned Subsidiary

(All figures are Rupees in crores unless otherwise stated)

(b) Disclosure under 186(4) of Companies Act.

Particulars	Purpose	Amount 31-Mar-24	Amount 31-Mar-23
Heranba Organics Private Limited	Loan for General Purposes	222.36	46.15
Mikusu India Private Limited	Loan for General Purposes	24.10	7.04
Heranba Organics Private Limited	Guarantee Given for Financing Arrangement under Sale and Leaseback Arrangement	29.49	-
Heranba Organics Private Limited	Investment	-	0.10
Mikusu India Private Limited	Investment	-	0.05
Total		**275.94**	**53.34**

The loan is for a period of 5 years, carrying interest @ 9% p. a. Interest and principal are repayable at the end of 5 years.

(c) The Company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), the details of which is tabulated hereunder;

Nature of Transaction - Loan

Ultimate Beneficiaries

Heranba Industries Limited

Name of Party	CIN/PAN	Address	Amount	Date
Name of the Intermediary & Relationship				
Mikusu India Private Limited - Wholly Owned Subsidiary Company	U24299MH2022 PTC380276	2nd Floor, A-Wing, Fortune Avirahi, Jambli Gali, Jain Derasar Lane, Borivali – West, Mumbai-400092, India	7.00	08-01-2024
Name of the Other Company & Relationship - Payment is made to the erstwhile promoters of Daikaffil for acquisition of Daikaffil as follows by Mikusu.				
Amit Patel - Erstwhile Promotor of Step down Subsidiary	ADAPP5197Q	B-10, Sterling Apartment 38- peddar Road, Near Sophia College, Cumballa Hill, Mumbai 400026, Maharashtra, India	2.58	08-01-2024
Amit Patel HUF - Erstwhile Promotor of Step down Subsidiary	AADHA6578A	B-10, Sterling Apartment 38- peddar Road, Near Sophia College, Cumballa Hill, Mumbai 400026, Maharashtra, India	0.11	08-01-2024
Dhwani Patel - Erstwhile Promotor of Step down Subsidiary	ALSPG5491J	B-10, Sterling Apartment 38- peddar Road, Near Sophia College, Cumballa Hill, Mumbai 400026, Maharashtra, India	0.04	08-01-2024
Aditya Patel HUF - Erstwhile Promotor of Step down Subsidiary	AAQHA0030E	B-10, Sterling Apartment 38- peddar Road, Near Sophia College, Cumballa Hill, Mumbai 400026, Maharashtra, India	0.02	09-01-2024
Caffil Private Limited - Erstwhile Promotor of Step down Subsidiary	U51100GJ1971 PTC001827	29, G.I.D.C, Phase 1,Vatva Ahmedabad 382445, Gujarat, India	1.21	08-01-2024
Mihir Sonawala - Erstwhile Shareholder of Step down Subsidiary	AMZPS2775F	R.No. 19, Bldg -36, Krishna Baug, V.P.Road, 2nd Pawada Girgaon, Mumbai 400004, Maharashtra, India	0.59	08-01-2024
Nitin Bhagat - Erstwhile Promotor of Step down Subsidiary	AFCPB1914M	4-B Vaibhav Apartments, 80 Bhulabhai Desai Road, Chamballa Hill Mumbai 400026, Maharashtra, India	0.12	12-01-2024

(All figures are Rupees in crores unless otherwise stated)

Name of Party	CIN/PAN	Address	Amount	Date
Aruna Merchant - Erstwhile Promotor of Step down Subsidiary	AGCPM0769N	3-A, Akash Ganga 3rd floor, 89, Bhulabhai Desai Road Opp. Tata Garden, Cumballa Hill, Mumbai 400036, Maharashtra, India	0.11	08-01-2024
Monica Patel - Erstwhile Other Shareholder of Step down Subsidiary	AEHPP3128D	14, Alkapuri Society Nr. Hirabaug-2 Ghaltodia, Ahmedabad 380061, Gujarat,India.	0.10	08-01-2024
Mita Bhagat -Erstwhile Promotor of Step down Subsidiary	AAOPB5965B	1/1, Sukh Shanti ,19 Peddar Road, Near Jashlok Hospital, Cumballa Hill, Mumbai 400026,Maharashtra, India	0.06	17-01-2024
Aditya Patel - Erstwhile Promotor of Step down Subsidiary	ABNPP9928J	B-10, Sterling Apartment 38- peddar Road, Near Sophia College, Cumballa Hill, Mumba-400026, Maharashtra, India	0.25	08-01-2024
CCM (Luxembourg) S.A (Liquidator of H.G.E. Chemicals SA and fiduciary of Principals) - Erstwhile Shareholder of Step down Subsidiary	AAHCC8697B	C C M (Luxemburg) S A 2 Bis Rue Astrid, 1143, Luxemburg	1.80	12-01-2024

NOTE 5. FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Balance with bank held as margin money (*)	0.29	0.29	-	-
Security deposits and Earnest Money Deposits	6.00	5.13	2.22	2.22
Interest Accrued and Due	-	-	0.00	-
Staff Advances	0.29	-	0.43	0.47
Fair value of foreign exchange derivative assets	-	-	-	0.17
Total	**6.58**	**5.42**	**2.65**	**2.86**

(*) Balances with bank in fixed deposits are kept as security for guarantees/government authorities.

NOTE 6. DEFERRED TAX ASSETS (NET)

The following is the analysis of deferred tax asset/(liabilities) presented in the balance sheet:

Particulars	Non-Current	
	As at 31-03-2024	As at 31-03-2023
Deferred Tax Asset		
Tax Disallowance	6.65	2.66
Impairment Allowance for trade receivables	6.39	5.41
Fair Valuation of Investment (Full Figure as March 31, 2024: Rs. 10451 March 31, 2023: Rs. 4188)	0.00	0.00
Time value of derivatives designated as cash flow hedges	-	0.01
Deferred Tax Liability		
Property, Plant and Equipment including ROU	(1.52)	(0.96)
Others	-	(0.03)
Total Deferred Tax Asset	**11.52**	**7.09**

(All figures are Rupees in crores unless otherwise stated)

NOTE 7. OTHER ASSETS

Particulars	Non-Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
(Unsecured, considered good)				
Advance to Suppliers	-	-	3.06	4.52
Balance with Revenue Authorities	-	-	17.32	23.42
Taxes Paid under Protest	4.04	1.09	-	
Prepaid Expense	0.21	0.55	1.67	1.40
Capital Advances	0.49	5.25	-	-
Indirect Tax Receivable	-	-	11.27	-
Other Receivables	-	-	0.01	-
Advance Income Tax (Net of Provision for Taxation)	0.28	0.28	-	-
Total	**5.02**	**7.17**	**33.33**	**29.34**

NOTE 8. INVENTORIES

Particulars	31-Mar-24		31-Mar-23	
Inventories (lower of cost or net realisable value)				
Raw materials				
- Other	64.41		74.84	
- Stock in Transit	3.21	67.62	0.90	75.74
Work-in-Progress		25.14		15.38
Finished Goods				
- Manufactured	123.94		182.46	
- Traded	4.28		2.88	
- Stock-in-Transit	4.11	132.32	2.06	187.40
Packing materials		15.87		13.40
Stores and Spares		3.49		5.24
Total		**244.43**		**297.16**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	31-Mar-24	31-Mar-23
Amount of inventories recognised as an expense	911.25	907.94
Amount of write - down of inventories recognised as an expense	1.12	-
	912.36	**907.94**

NOTE 9. TRADE RECEIVABLES

Particulars	31-Mar-24	31-Mar-23
Unsecured		
Trade Receivables considered good	498.35	387.59
Trade Receivables which have significant increase in Credit Risk	15.29	11.41
Trade Receivables - credit impaired	10.09	10.09
Less: Impairment loss allowance	(25.38)	(21.50)
Total	**498.35**	**387.59**

(All figures are Rupees in crores unless otherwise stated)

A. Expected Credit Loss

Allowance for Expected Credit Loss

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss.

The trade receivables ageing schedule (based on Bill date) for the year ended on 31st March, 2024 as follows:

Range of O/s period	Undisputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	
Unbilled	-	-	-	-
Not Due	-	-	-	-
Less than 6 months	331.99	3.45	-	335.44
6 months - 1 year	98.18	7.05	-	105.24
1-2 year	34.46	1.68	-	36.14
2-3 year	6.35	0.66	-	7.01
> 3 years	27.36	2.45	10.09	39.90
Total	**498.35**	**15.29**	**10.09**	**523.73**
Less: Impairment loss allowance		(15.29)	(10.09)	(25.38)
Total	**498.35**	**-**	**-**	**498.35**

With reference to Note no 34 there are legal cases filed against the Company by some of the customers, however there are no receivables from these customers as at March 31, 2024 and therefore there are no balances shown as disputed receivables.

The trade receivables ageing schedule (based on Bill date) for the year ended on 31st March, 2023 as follows:

Range of O/s period	Undisputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	
Unbilled	-	-	-	-
Not Due	-	-	-	-
less than 6 months	283.62	1.95	-	285.57
6 months - 1 year	63.66	5.90	-	69.56
1-2 year	11.92	1.07	-	12.99
2-3 year	20.05	0.53	0.42	21.00
> 3 years	8.34	1.96	9.67	19.97
Total	**387.59**	**11.41**	**10.09**	**409.09**
Less: Impairment loss allowance		(11.41)	(10.09)	(21.50)
Total	**387.59**	**-**	**-**	**387.59**

Movement of Expected Credit Loss

Particulars	Opening	Addition	Written off/ Reversed	Closing
As at March 31, 2024	21.50	3.88	-	25.38
As at March 31, 2023	22.45	-	(0.96)	21.50

(All figures are Rupees in crores unless otherwise stated)

NOTE 10. CASH AND CASH EQUIVALENTS

Particulars	31-Mar-24	31-Mar-23
Balances with banks		
- in current accounts	12.03	53.94
- in deposit with original maturity of less than three months	-	45.19
Cash on hand	0.03	0.13
Total	**12.06**	**99.26**

NOTE 11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	31-Mar-24	31-Mar-23
- Balance with bank held as margin money*	10.35	12.33
- Unpaid Dividend Balance**	0.01	-
- Fixed deposits with original maturity of more than 3 months but less than 12 months	-	7.04
Total	**10.36**	**19.37**

Notes:

* The Company has pledged above deposits with bank as Bank Guarantee and margin money.

** These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.

NOTE 12. EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-24	As at 31-Mar-23
Authorised Share Capital:		
4,50,00,000 (As at 31st March, 2023: 4,50,00,000) Equity Shares of Rs. 10/- each	45.00	45.00
Issued and subscribed capital:		
4,00,13,467 (As at 31st March, 2023: 4,00,13,467) Equity Shares of Rs. 10/- each fully paid up	40.01	40.01
	40.01	**40.01**

a) Terms/rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

b) Reconciliation of Number of Shares Outstanding

Particulars	Number of shares
Fully paid equity shares	
Balance at 1st April, 2022	4,00,13,467
Increase/(Decrease) during the year	-
Balance at 31st March, 2023	4,00,13,467
Increase/(Decrease) during the year/Bonus shares	-
Balance at 31st March, 2024	**4,00,13,467**

(All figures are Rupees in crores unless otherwise stated)

c) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

During the year ended March 31, 2019, the bonus issue in the proportion of 4:1 i.e.4 (Four) bonus equity share of Rs. 10 each for every 1 (One) fully paid-up equity shares held was approved by the shareholders of the Company on .09th July, 2018 through voting at the Meeting by show of hands. Subsequently, on 09th July,2018, the Company allotted 3,12,45,224 (Three Crore Twelve Lakh Forty Five Thousand Two Hundred Twenty Four) equity shares to shareholders who held equity shares as on the record date of 09th July,2018 and Rs. 31.25 Crore (representing par value of Rs. 10 per share) was transferred from securities premium and retained earnings to the share capital.

d) Details of shareholders holding more than 5% equity shares in the Company

	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	%	No. of Shares	%
Fully paid equity shares				
Mr. Sadashiv K. Shetty	72,01,796	18.00%	72,01,796	18.00%
Mr. Raghuram K. Shetty	1,19,11,446	29.77%	1,18,94,446	29.73%
Mrs. Sujata S. Shetty	32,30,400	8.07%	32,30,400	8.07%
Mrs. Vanita R. Shetty	20,18,000	5.04%	20,18,000	5.04%
	2,43,61,642	**60.88%**	**2,43,44,642**	**60.84%**

e) Details of Promoters shareholders holding in equity shares of the Company

Promoter Name	As at 31-03-2024			As at 31-03-2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoters						
Sadashiv K Shetty	72,01,796	18.00%	-	72,01,796	18.00%	-
Raghuram K Shetty	1,19,11,446	29.77%	0.14%	1,18,94,446	29.73%	0.11%
Promoters Group						
Sujata S Shetty	32,30,400	8.07%	-	32,30,400	8.07%	-
Vanita R Shetty	20,18,000	5.04%	-	20,18,000	5.04%	-
Sams Industries Ltd.	8,67,288	2.17%	-	8,67,288	2.17%	0.01%
Raghuram K Shetty HUF	13,80,000	3.45%	-	13,80,000	3.45%	-
Shreya S Shetty	9,42,500	2.36%	-	9,42,500	2.36%	-
Shriraj S Shetty	8,42,500	2.11%	-	8,42,500	2.11%	-
Raunak R Shetty	6,36,250	1.59%	-	6,36,250	1.59%	-
Roshan R Shetty	6,36,250	1.59%	-	6,36,250	1.59%	-
Sadashiv K Shetty HUF	3,20,600	0.80%	-	3,20,600	0.80%	-
Nithyanand K Shetty	108	0.00%	100%	-	-	-

NOTE 13. OTHER EQUITY

Particulars	As at 31-Mar-24	As at 31-Mar-23
Securities Premium	58.18	58.18
General Reserve	46.75	46.75
Capital Redemption Reserve	0.25	0.25
Other Comprehensive Income	-	(0.01)
Retained Earnings	732.27	670.93
Total	**837.45**	**776.10**

(All figures are Rupees in crores unless otherwise stated)

Security Premium

Security Premium in accordance with the provisions of Section 52 of the Companies Act represents the premium received on issue of shares. It can be utilised to pay-off equity related expenses or for issuance of bonus shares and its related issue expenses.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10 % of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Capital Redemption Reserve

Capital redemption reserve represents the amount of profits transferred from general reserve for the purpose of redemption of preference shares or for the buyback of shares.

NOTE 14. LEASE LIABILITIES

Particulars	Non-Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Lease Liability	3.62	3.51	0.39	0.48
Total	**3.62**	**3.51**	**0.39**	**0.48**

Disclosure in accordance with Ind AS - 116 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015

(a) Movement in Lease Liabilities

Particulars	31-Mar-24	31-Mar-23
Balance at the beginning	3.99	1.63
Addition during the year	0.58	4.04
Interest on lease liabilities	0.40	0.45
Terminations	-	(0.93)
Lease Payments	(0.96)	(1.20)
Closing	**4.01**	**3.99**

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability as at March on an undiscounted basis.

Ageing	31-Mar-24	31-Mar-23
Within One year	0.75	0.87
Two to Five years	2.30	1.95
More than Five years	3.53	4.07
Total	**6.58**	**6.89**

(c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE 15. OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Interest accrued	-	-	4.99	3.95
Security Deposit from Dealers (Interest bearing @ 9% pea)	-	-	9.76	8.12
Payable for Rate Differences	-	-	17.23	16.66

(All figures are Rupees in crores unless otherwise stated)

Particulars	Non-Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Unpaid Dividend*			0.01	-
Employee Benefits Payable	-	-	10.77	8.81
	-	**-**	**42.77**	**37.54**

* As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124(5) of the Companies Act, 2013.

NOTE 16. PROVISIONS

Particulars	Non-Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Employee Benefits				
Provision for leave benefit	2.93	2.82	0.93	1.03
Provision for Gratuity	7.84	6.12	0.60	0.60
Total	**10.78**	**8.94**	**1.53**	**1.63**

Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015

The Company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs. 20 lacs. The Company's gratuity liability is funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow

	Particulars	As on March 31, 2024	As on March 31, 2023
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	10.65	9.43
	Current Service Cost	1.19	1.05
	Interest Cost	0.79	0.67
	Actuarial (Gain)/Loss-Other Comprehensive Income	0.01	(0.18)
	Benefits paid directly by the Employer	-	(0.00)
	Benefits paid by the Fund	(0.47)	(0.32)
	Defined Benefit obligation at the year end	**12.17**	**10.65**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	3.92	3.24
	Actual Return on Plan Assets	0.28	0.18
	Actuarial Gain/(Loss)	-	-
	Employer Contribution	-	0.81
	Benefits Paid	(0.47)	(0.32)
	Fair Value of Plan Assets at the year end	**3.73**	**3.91**
(c)	**Actual Return on Plan Assets**		
	Interest Income	0.29	0.23
	Return on Plan Assets, Excluding Interest Income	(0.02)	(0.05)
	Actual Return on Plan Assets	**0.28**	**0.18**

(All figures are Rupees in crores unless otherwise stated)

	Particulars	As on March 31, 2024	As on March 31, 2023
(d)	**Reconciliation of fair value of assets and obligations**		
	Fair Value of Plan Assets	3.73	3.91
	Present value of Defined Benefit obligation	12.17	10.65
	Liability recognized in Balance Sheet	**8.44**	**6.72**
(e)	**Expenses recognized during the year (Under the head "Employees Benefit Expenses)**		
	Current Service Cost	1.19	1.05
	Interest Cost	0.49	0.44
	Net Cost	**1.69**	**1.49**
(f)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	**0.02**	**(0.14)**
(g)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	7.84	6.12
	Short-term provisions	0.60	0.60
		8.44	**6.72**

ii) Actuarial Assumptions

Particulars	As on March 31, 2024	As on March 31, 2024
Expected return on Plan Assets	7.23%	7.47%
Discount rate (per annum)	7.23%	7.47%
Attrition rate	5%	5%
Rate of escalation in salary (per annum)	8%	8%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	

iii) Expected Payout

Particulars	As on March 31, 2024	As on March 31, 2024
Projected Benefits Payable in Future Years From the Date of Reporting		
Expected Payout 1st Following Year	1.11	1.12
Expected Payout 2nd Following Year	0.94	0.59
Expected Payout 3rd Following Year	0.72	0.84
Expected Payout 4th Following Year	0.83	0.70
Expected Payout 5th Following Year	1.08	0.78
Expected Payout 6th to 10th Following Year	5.30	4.90
Expected Payout for Years 11 & above	15.87	14.34

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the Company fully or partially pre-fund the liabilities under the plan.

iv) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption			
March 31, 2024	1%	1%	1%
March 31, 2023	1%	1%	1%

(All figures are Rupees in crores unless otherwise stated)

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Increase in assumption			
March 31, 2024	(0.94)	0.99	(0.05)
March 31, 2023	(0.82)	0.89	(0.03)
Decrease in assumption			
March 31, 2024	1.08	(0.91)	0.05
March 31, 2023	0.93	(0.81)	0.03

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

1. **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

2. **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

3. **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

4. **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

5. **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

6. **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTE 17. SHORT-TERM BORROWINGS

Particulars	As at 31-Mar-24	As at 31-Mar-23
From Banks (Secured):		
Bills Discounted with Bank of Baroda	7.30	7.24
Foreign Currency Loan from Bank of Baroda	44.78	49.48
Foreign Currency Packing Credit Loan from Bank of Baroda	32.22	30.18
Foreign Currency Packing Credit Loan from CTBC Bank	34.95	-
Bank of Baroda - CC	20.24	-
Bills Discounted through MSME Bank	-	2.11
	139.49	**89.01**

Notes:

I. Terms and Security of Borrowings

a. **Cash Credit - Bank Of Baroda:** Sanctioned Limit Rs. 74.75 crores, CC Interest rate 9.35% p.a.

b. **Foreign Currency Loan - Bank of Baroda:** It is a sublimit of Rs. 60 crores at Interest rate of around 7.62% p.a. sanctioned under overall Cash Credit limit of Rs. 74.75 crores.

c. **Working Capital Loan - Bank of Baroda:** It is a sublimit of Rs. 50 crores sanctioned under overall Cash Credit limit of Rs. 74.75 crores.

d. **Packing Credit - Bank of Baroda:** Sanctioned limit Rs. 75.00 crores at average Interest rate of around 6.43% p.a. (P.Y. Sanctioned limit Rs. 75.00 crores at average Interest rate of around 6.50% p.a.).

e. **Letter of Credit- Bank of Baroda:** Sanctioned limit Rs. 45 crores, commission @ 0.25%.

f. **Packing Credit - HDFC Bank:** Sanctioned limit Rs. 25 crores with sublimit of Cash credit facility of Rs. 25 crores or Working capital demand loan of Rs. 25 crores., However there is no drawdown against the sanction.

g. **Letter of Credit- HDFC Bank:** Sanctioned limit Rs. 10 crores., However there is no drawdown against the sanction.

h. **Working Capital Demand Loan- CTBC Bank Co. Ltd.:** Sanctioned limit Rs. 35 crores at interest rate to be decided

(All figures are Rupees in crores unless otherwise stated)

at disbursement, Company has not taken disbursement during year.

i. **Packing Credit - CTBC Bank Co. Ltd.:** Sanctioned limit Rs. 35 crores at average interest rate 6.43% p.a.

j. Bill discounted through MSME Bank are repayable within a period of 90 days bearing interest range of 7% to 8%.

Above cash credit and packing credit limits are secured by way of exclusive first charge on hypothecation of entire inventories, Book debts and other current assets present & future.

The above facilities are secured as follows:

a. Pari pasu First charge on the current assets of the Company both present and future.

b. Pari pasu Equitable Mortgage of all land and buildings and hypothecation of plant and machinery situated at factories or at godowns.

c. Personal Guarantee of Mr. R. K. Shetty, Mr. S. K. Shetty, Mr. Raunak Shetty and Mr Shriraj Shetty.

II. Disclosure as per the amendment to Ind AS 7 Statement of Cash Flow

Particulars	Lease Liabilities	Current Borrowings	Interest Accrued	Total
Opening Balance	(1.63)	(89.56)	(3.85)	(95.05)
Changes in Financial Cash flow	1.20	0.55	-	1.75
Internal Transfer	-	-	0.58	0.58
Interest accrued during the year	(0.45)	-	(0.68)	(1.13)
Other Non-Cash Adjustments	-	-		-
Net Addition during the year	(3.11)	-	-	(3.11)
Closing Balance as at March 31, 2023	**(3.99)**	**(89.01)**	**(3.95)**	**(96.96)**
Changes in Financial Cash flow (net)	0.96	(45.05)	9.18	(34.91)
Internal Transfer on change in Repayment schedule	-	-	-	-
Interest accrued during the year	(0.40)	-	(10.22)	(10.62)
Internal Transfer	-	-	-	-
Other Non-Cash Adjustments	-	(5.44)	-	(5.44)
Net Addition during the year	(0.58)	-	-	(0.58)
Closing Balance as at March 31, 2024	**(4.01)**	**(139.49)**	**(4.99)**	**(148.50)**

III. Borrowings from banks or financial institutions on the basis of security of current assets

The Company has borrowings during the year from banks on the basis of security of current assets, the disclosure w.r.t documents submitted to lenders is tabulated in Statement 1.

IV. Registration of charges or satisfaction with Registrar of Companies

All the charges or satisfaction as per the sanction are duly registered with Registrar of Companies as at March 31,2024 and March 31, 2023 in favour of the lenders for facilities availed by the Company.

NOTE 18. TRADE PAYABLES

Particulars	As at 31-Mar-24	As at 31-Mar-23
Dues of Micro and Small Enterprise	28.83	14.47
Dues of Other than Micro and Small Enterprise	258.11	172.12
Total	**286.94**	**186.59**

The trade payable ageing schedule (based on Bill date) for the year ended on 31st March, 2024 as follows:

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	4.37	-
Not Due	-	-	-	-
Less than 1 year	28.83	-	247.09	-
1-2 years*	0.00	-	1.19	-

(All figures are Rupees in crores unless otherwise stated)

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
2-3 year	-	-	0.44	-
> 3 years	-	-	5.02	-
Total	**28.83**	**-**	**258.11**	**-**

* Full Figure for 1-2 Years Rs. 19,516.

The trade payable ageing schedule (based on Bill date) for the year ended on 31st March, 2023 as follows:

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	5.34	-
Not Due	-	-	-	-
Less than 1 year	14.46	-	157.26	-
1-2 years	0.01	-	2.14	-
2-3 year*	0.00	-	5.95	-
> 3 years	-	-	1.43	-
Total	**14.47**	**-**	**172.12**	**-**

* Full Figure for 2-3 Years Rs. 26,418.

Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Particulars	31-Mar-24	31-Mar-23
Principal amount due	28.83	14.47
Interest due on above	0.23	0.01
The amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of interest due and payable for the period of delay	0.23	0.01
Amount of interest accrued and remaining unpaid as at year end	0.24	0.01
Amount of further interest remaining due and payable in the succeeding year	-	-

The MSME Parties have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

NOTE 19. OTHER LIABILITIES

Particulars	Non-Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Advance against orders - Contract Liability	-	-	13.53	6.29
Unamortized Guarantee liability	0.18	-	0.10	-
Statutory liabilities	-	-	1.29	1.41
Total	**0.18**	**-**	**14.91**	**7.70**

NOTE 20. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31-Mar-24	As at 31-Mar-23
Current tax liabilities	20.60	7.79
Total	**20.60**	**7.79**

(All figures are Rupees in crores unless otherwise stated)

NOTE 21. REVENUE FROM OPERATIONS

Particulars	For the year 2023-24	For the year 2022-23
Sale from operations:		
Sale of Goods	1,247.75	1,309.47
Sale of Traded Goods	18.50	7.34
	1,266.25	**1,316.81**
Other operating revenue:		
Export Incentive	8.50	7.57
Total	**1,274.75**	**1,324.38**

I. Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Service Type and by Geographical Region:

i) Revenue disaggregation by type of Service is as follows:

Major Service Type	For the year 2023-24	For the year 2022-23
Sale of Goods	1,247.75	1,309.47
Sale of Traded Goods	18.50	7.34
Export Incentive	8.50	7.57
	1,274.75	**1,324.38**

ii) Revenue disaggregation by geographical region is as follows:

Geographical Region	For the year 2023-24	For the year 2022-23
India	851.29	781.94
Outside India	423.46	534.87
Total revenue from operations	**1,274.75**	**1,316.81**
Timing of revenue recognition		
At a point in time	1,274.75	1,316.81
Total revenue from operations	**1,274.75**	**1,316.81**

b) Contract Balances:

The Contract liability primarily relate to advances received from the customers against orders. Significant changes in the contract liabilities balance during the period are as under:

Particulars	For the year 2023-24	For the year 2022-23
Contract liabilities		
Balances at the beginning of the year	6.29	11.75
Revenue recognised that is included at the beginning of the period	(6.29)	(11.75)
Advances received during the year	13.53	6.29
Advances outstanding during the year	13.53	6.29

Out of the total contract liabilities outstanding as on 31 March 2024, Rs. 13.53 crores and 31 March 23 Rs. 6.29 crores will be recognized by 31 March 2025 and 31 March 2024 respectively.

c) Significant adjustments between the contracted price and revenue recognized in the Statement of profit and loss account:

Particulars	For the year 2023-24	For the year 2022-23
Reconciliation of revenue from operations with Contract Price		
Contract Price	1,292.12	1,339.34
Less:		
Discounts	25.87	22.53
Total Revenue from operations	**1,266.25**	**1,316.81**

(All figures are Rupees in crores unless otherwise stated)

NOTE 22. OTHER INCOME

Particulars	For the year 2023-24	For the year 2022-23
Interest Income	17.14	4.20
Interest Income fair valued under Ind AS 109 (Full Figure for 22-23: Rs. 40,979)	0.01	0.00
Dividend Income (Full Figure for 23-24: Rs. 6,792 and for 22-23: Rs. 17,792)	0.00	0.00
Foreign Exchange Fluctuation Gain (Net)	3.64	4.19
Termination of Lease Agreements	-	0.17
Remeasurement of Financial asset accounted on Amortised cost (Full Figure for 23-24: Rs. Nil and for 22-23: Rs. 11,140)	-	0.00
Profit on Sale of Property, Plant & Equipment	0.10	0.06
Profit on sale of investment	0.01	0.64
Reversal of Expected Credit Loss	-	0.96
Sundry Balances Written Back	5.88	1.62
Guarantee Income	0.03	-
Rent Income	2.60	0.58
Miscellaneous income	0.97	1.16
Total	**30.39**	**13.58**

NOTE 23. COST OF MATERIALS CONSUMED

Particulars	For the year 2023-24	For the year 2022-23
Raw Material/Packing Material		
Opening Stock	89.14	76.90
Add: Purchases (Net of Discount)	824.75	920.23
Less: Closing stock	83.49	89.14
Total	**830.40**	**907.99**

NOTE 24. PURCHASE OF STOCK IN TRADE

Particulars	For the year 2023-24	For the year 2022-23
Purchase of Stock-in-Trade	16.23	7.09
Total	**16.23**	**7.09**

NOTE 25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the year 2023-24	For the year 2022-23
Inventory adjustment - WIP		
Opening Stock of Work-in-Progress	15.38	8.72
Closing Stock of Work-in-Progress	(25.14)	(15.38)
	(9.75)	**(6.66)**
Inventory adjustment - Finished Goods		
Opening Stock of Finished Goods	184.53	167.18
Closing Stock of Finished Goods	(128.04)	(184.53)
	56.48	**(17.35)**
Inventory adjustment - Traded goods		
Opening Stock of Finished Goods	2.88	-
Closing Stock of Finished Goods	(4.28)	(2.88)
	(1.40)	**(2.88)**
Total	**45.33**	**(26.89)**

The inventory cost of finshed goods in current year includes write down of Rs. 1.12 Crores.

(All figures are Rupees in crores unless otherwise stated)

NOTE 26. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year 2023-24	For the year 2022-23
Salaries, wages and bonus, etc.	65.81	58.77
Contribution to provident and other funds	3.83	3.09
Staff welfare expenses	3.01	2.56
Total	**72.65**	**64.42**

NOTE 27. FINANCE COSTS

Particulars	For the year 2023-24	For the year 2022-23
Interest on Financial Liability at amortised cost	7.99	5.01
Interest on Statutory Dues (Full Figure for 23-24: Rs. 12813)	0.00	0.19
Interest on Income Tax	1.13	0.71
Interest on MSME	0.23	0.01
Interest on Lease Liability	0.40	0.45
Other Finance Charges	2.01	1.54
Total	**11.75**	**7.91**

NOTE 28. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year 2023-24	For the year 2022-23
Depreciation of property, plant and equipment	24.08	21.59
Depreciation of Right to Use Asset	0.76	0.99
Total	**24.85**	**22.59**

NOTE 29. OTHER EXPENSES

Particulars	For the year 2023-24	For the year 2022-23
Consumption of Stores and Spares	20.40	19.75
Factory Expense	11.38	5.42
Repairs & Maintenance to:		
- Machinery	6.74	5.76
- Building	1.92	1.93
- Vehicle	0.14	0.31
- Others	1.24	2.09
Insurance	2.82	2.71
Rent	3.22	3.12
Rates and taxes	0.65	2.24
Donations	0.16	0.21
Labour Charges	28.65	20.07
Allowances for doubtful debts	3.88	-
Provision for Impairment of Investments (Full Figure for 23-24 is Rs. NIL and 22-23: Rs. 41,525.30)	-	0.00
Remuneration to Auditor (Refer Note a)	0.31	0.30
Legal and Professional Charges	6.89	4.71
Loss on Fair value of Investment held at FVTPL (Full Figure for 2022-23: Rs. 2,666.70)	0.15	0.00
Loss on Sale of Investment	-	0.03
Power and Fuel	68.57	86.24
Selling and Distribution expense	37.15	37.44

(All figures are Rupees in crores unless otherwise stated)

Particulars	For the year 2023-24	For the year 2022-23
Corporate Social Responsibility	4.05	4.26
Sitting Fees	0.06	0.06
R & D Expenditure	1.45	2.52
Other expenses	13.68	11.56
Total	**213.54**	**210.71**

a) Remuneration to Auditor

Particulars	2023-24	2022-23
As Auditor:		
- Statutory Audit fees including Limited Review	0.25	0.25
- Tax Audit	0.05	0.05
- Taxation Matter	0.01	-
- Reimbursement of Expenses (Rs. Nil in 23-24 and Rs. 5858 in 22-23)	-	0.00
	0.31	**0.30**

b) Total expenditure on R & D is included in respective heads of accounts as under

Particulars	2023-24	2022-23
Employee benefits expenses	1.80	1.42
R & D Expenditure	1.45	2.52
Total	**3.25**	**3.94**

c) Expenditure in Foreign Currency

Particulars	2023-24	2022-23
Legal & professional Fees	0.39	0.34
Total	**0.39**	**0.34**

NOTE 30. TAX EXPENSE

a) Income tax charged to statement of profit and loss

Particulars	For the year 2023-24	For the year 2022-23
Tax for the year	28.87	38.86
Tax in respect of earlier years	(0.41)	(0.49)
Deferred Tax Expenses	(4.42)	(4.34)
Income Tax Expense	**24.04**	**34.03**

b) Income tax charged to other comprehensive income

Particulars	For the year 2023-24	For the year 2022-23
Deferred Tax Expenses	0.01	(0.06)
Income Tax expense	**0.01**	**(0.06)**

c) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

I.

Particulars	For the year 2023-24	For the year 2022-23
Accounting profit before income tax	90.39	144.14
Enacted tax rates in India (%)	25.17%	25.17%
Computed expected tax expenses	**22.75**	**36.28**

(All figures are Rupees in crores unless otherwise stated)

Particulars	For the year 2023-24	For the year 2022-23
Tax effects of amounts that are not deductible (taxable) in calculating taxable income:		
Net changes on account of disallowances	13.94	8.01
Net changes on account of Allowances	(8.09)	(5.45)
Others	0.27	0.02
Income tax expenses	**28.87**	**38.86**

II. Deferred tax assets/(liabilities) in relation to:

As at March 31, 2024	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment including ROU	(0.96)	(0.56)	-	(1.52)
Tax Disallowance	2.66	3.98	0.02	6.65
Impairment Allowance for trade receivables	5.41	0.98	-	6.39
Fair Valuation of Investment	0.00	0.00	-	0.00
Time value of derivatives designated as cash flow hedges	0.01	-	(0.01)	-
Others	(0.03)	0.03	-	-
	7.09	**4.42**	**0.01**	**11.52**

As at March 31, 2023	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment including ROU	(1.37)	0.41	-	(0.96)
Tax Disallowance	0.22	2.44	-	2.66
Impairment Allowance for trade receivables	3.89	1.52	-	5.41
Fair Valuation of Investment	0.03	(0.03)	-	0.00
Time value of derivatives designated as cash flow hedges	0.04	-	(0.03)	0.01
Others	0.00	-	(0.03)	(0.03)
	2.81	**4.34**	**(0.06)**	**7.09**

NOTE 31. EARNING PER SHARE

Disclosure as required by Accounting Standard – Ind AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

A. Net Profit/(loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	For the year 2023-24	For the year 2022-23
Profit/(Loss) for the period (Rs. in Crore)	66.35	110.11
Outstanding equity shares at period end	4,00,13,467	4,00,13,467
Weighted average Number of Shares outstanding during the year - Basic	4,00,13,467	4,00,13,467
Weighted average Number of Shares outstanding during the year - Diluted	4,00,13,467	4,00,13,467
Earnings per Share - Basic (Rs. Per Share)	16.58	27.52
Earnings per Share - Diluted (Rs. Per Share)	16.58	27.52

(All figures are Rupees in crores unless otherwise stated)

B. Reconciliation of weighted number of outstanding during the period:

Particulars	For the year 2023-24	For the year 2022-23
Nominal Value of Equity Shares (Rs. Per Share)	10.00	10
Total number of equity shares outstanding at the beginning of the period	4,00,13,467	4,00,13,467
Add: Issue of Equity Shares during the period	-	-
Total number of equity shares outstanding at the end of period	4,00,13,467	4,00,13,467
Weighted average number of equity shares at the end of period - Basic	4,00,13,467	4,00,13,467
Weighted average number of equity shares at the end of period - Dilutive	4,00,13,467	4,00,13,467

NOTE 32. CORPORATE SOCIAL RESPONSIBILITY

The Company is covered under Section 135 of the companies act, the following is the disclosed with regard to CSR activities:

	Particulars		For the year 2023-24	For the year 2022-23
i	Gross amount required to be spent by the Company during the year		4.05	3.95
ii	Amount approved by the Board to be spent during the year		4.05	3.95
	Construction/acquisition of any asset		-	-
	On purposes other than (i) above		4.05	3.95
iii	Amount spent during the year on:		4.05	4.26
	Construction/acquisition of any asset		-	-
	On purposes other than (i) above		4.05	4.26
iv	Shortfall at the end of the year		-	(0.31)
v	The total of previous years' shortfall/(Excess) amounts			-
vi	The reason for above shortfalls		NA	NA
vii	(Excess)/Shortfall Payment at the end of the year		-	(0.31)
viii	Nature of CSR activities			
	a)	Promoting Education including vocation skills among children, women etc.	3.52	3.96
	b)	Promoting Healthcare including preventive healthcare and Sanitation	0.52	0.29
	c)	Eradication of Poverty	0.01	-

NOTE 33. COMMITMENTS

Particulars	2023-24	2022-23
Estimated amount of contracts remaining to be executed in Capital Account and not provided for (Net of Advance) i.e. the amount payable for the undelivered capital expenditure items.	0.96	11.92
Capital Commitment towards Investment with Fireside Ventures Investment Fund	3.50	4.25
Total	**4.46**	**16.17**

NOTE 34. CONTINGENT LIABILITIES

i.

Particulars	2023-24	2022-23
Bank Guarantees	7.96	6.14
Letter of Credit	0.40	-
Guarantee Given on behalf of Subsidiary	29.49	-

(All figures are Rupees in crores unless otherwise stated)

Particulars	2023-24	2022-23
Claims not acknowledged as debts		
Disputed Excise Duty/Custom Duty Demands	10.06	23.49
Legal Matters With Customers	3.38	-
Demand under Goods and Service Tax (Refer Note 1)	10.86	0.36
Disputed VAT Liability (Refer Note 2)	0.61	0.61
Disputed Income Tax demands (Refer Note 3&4)	7.51	6.20
TDS Defaults (Refer Note 5)	0.76	-
	71.03	**36.80**

Notes:

1) In Current year out of the above Rs. 2.91 Crores is paid against demand.

2) Out of the above Rs. 0.39 Crores is paid against demand.

3) Out of the above Rs. 0.75 Crores is paid against demand.

4) In certain Assessment Years, the Outstanding Demands on the Income Tax Site are on a higher side including interest accrued against which the demand orders are for lesser amount of demands. These are pending to be rectified on the Income site by the Department. The Company has shown Contingent Liability basis the demand orders received taking into account the appeal file against the same.

5) The Demands are majorly against Inoperative PAN status due to non linking of PAN and Aadhar by the Counter parties. The Company is in the process of getting the same rectified from the parties post which the demand would change.

NOTE 35.

In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

NOTE 36. DISCLOSURE IN ACCORDANCE WITH IND AS – 108 "OPERATING SEGMENTS", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. As the Company is engaged in providing similar nature of products, production process, customer types etc., the Company has a single operating segment of "Agro chemicals", there are no differing risks and returns attributable to the Company's services to its customers. Further, The Company primarily operates in India and therefore the analysis of geographical segment is demarcated into its Indian and Overseas revenue as under:

a. Geographical Segment

Particulars	2023-24	2022-23
Revenue (Gross Sale)		
India	851.29	781.93
Overseas	423.46	534.87
Total	**1,274.75**	**1,316.81**

b. The Company is not reliant on revenue from transactions with any single external customer and does not receive 10% or more of its revenue from transactions with any single external customer.

NOTE 37. DISCLOSURE IN ACCORDANCE WITH IND AS - 24 "RELATED PARTY DISCLOSURES", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015

Details are given in Statement-2

(All figures are Rupees in crores unless otherwise stated)

NOTE 38. FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by categories as at March 31, 2024, and March 31, 2023 is as follows:

	Particulars	Carrying Value		Fair Value	
		As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
a)	**Financial Assets**				
	Financial assets measured at fair value through P&L				
	Investments	1.35	0.75	1.35	0.75
	Fair value of foreign exchange derivative assets	-	0.17	-	0.17
	Financial assets measured at amortized cost				
	Investments	0.48	0.17	0.48	0.17
	Loans	299.65	53.19	299.65	53.19
	Others	9.23	8.50	9.23	8.50
	Trade receivables	498.35	387.59	498.35	387.59
	Cash and cash equivalents	12.06	99.26	12.06	99.26
	Bank balances other than above	10.36	19.37	10.36	19.37
	Total Financial Assets	**831.48**	**569.00**	**831.48**	**569.00**
b)	**Financial Liabilities measured at amortized cost**				
	Borrowings	139.49	89.01	139.49	89.01
	Trade payables	286.94	186.58	286.94	186.58
	Lease Liability	4.01	3.99	4.01	3.99
	Others	42.77	37.54	42.77	37.54
	Total Financial Liabilities	**473.21**	**317.13**	**473.21**	**317.13**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities carried at amortized cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 39. FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's senior management oversees management of these risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i) Market Risk

a. Foreign currency risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices etc. The Company operations involve foreign exchange transactions including mainly import, export, packing credit facilities and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US$. Foreign currency risk arises from future commercial transactions and recognised in assets and liabilities denominated in foreign currency that is not Company's functional currency. (i.e INR) The risk is measured through forecast of highly probable foreign currency cash flow.

Derivative contracts outstanding

Particulars	Currency	March 31, 2024	March 31, 2023
Forward contracts to sell USD	USD	-	0.30

(All figures are Rupees in crores unless otherwise stated)

Uncovered risks in foreign currency transactions disclosed as at

Particulars	Currency	March 31, 2024		March 31, 2023	
		FC	INR	FC	INR
Trade Receivable	USD	1.67	138.27	1.88	179.53
Trade Receivable	EURO	0.02	1.48	-	-
Borrowing (PCFC)	USD	0.81	67.17	0.37	30.18
Bank (EEFC)	USD	0.54	44.78	0.60	49.48
Bill Discounting	USD	0.09	7.30	-	-
Trade Payable	USD	0.11	9.42	0.09	7.28
Advances from customer	USD	0.03	2.32	0.02	1.47
Advances from customer	EURO	0.04	3.65	0.00	0.18

Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax:

Particulars	March 31, 2024		March 31, 2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD (Receivables)	0.08	(0.08)	0.09	(0.09)
USD (Payables)	(0.08)	0.08	(0.05)	0.05
Net Increase/(Decrease) in Profit or loss	**0.01**	**(0.01)**	**0.04**	**(0.04)**
EURO (Receivables)	0.00	(0.00)	-	-
EURO (Payable)	(0.00)	0.00	(0.00)	0.00
Net Increase/(Decrease) in Profit or loss	**(0.00)**	**0.00**	**(0.00)**	**0.00**

(March 31, 2024 fill figure Rs. 12,161 Increase and Rs. 12,161 (decrease))

(March 31, 2023 fill figure Rs. 1,095 Increase and Rs. 1,095 (decrease))

b. Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings and loans given affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Changes in basis points	Effect on profit before tax 2023-24	Effect on profit before tax 2022-23
Financial liabilities			
Interest rates - increase - 1%	100.00	(1.39)	(0.89)
Interest rates - decrease - 1%	(100.00)	1.39	0.89

c. Other Market Price Risk

The Company is exposed to Equity price risk, which arises from FVTPL of Equity securities. The Company has a very insignificant portion of amount invested in quoted equity securities. The management monitors the proportion of quoted equity instruments in its investment portfolio based on market indices.

d. Hedge Accounting

The Company's business objective includes safe-guarding its earnings against adverse price movements of foreign exchange. The Company has adopted a policy to hedge all risks within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges.

There is an economic relationship between the hedged items and the hedging instruments. The Company has established a hedge ratio of 1:1 for the hedging relationships.

(All figures are Rupees in crores unless otherwise stated)

The hedge ineffectiveness can arise from:
- Differences in the timing of the cash flows;
- Different indexes;
- The counterparties' credit risk differently impacting the fair value movements.

Movement in Cash Flow Hedge

Particulars	2023-24	2022-23	Line Item in Balance Sheet/Statement of Profit and Loss
At the beginning of the year	-	(0.09)	
Gain/(loss) recognised in other comprehensive income during the year.	-	0.11	Items that will be reclassified to Profit & Loss
Deferred tax on Gain/(loss) recognised in other comprehensive income during the year.	-	(0.03)	
Amount reclassified to Profit and Loss during the year	-	-	Value of Sale
Deferred tax on Amount reclassified to Profit and Loss during the year	-	-	
At the end of the year	-	-	Other Comprehensive Income

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade and Other Receivables

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Company manages its liquidity risk by preparing month on month cash flow projections to monitor liquidity requirements.

The Working Capital Position of the Company is given below:

Particulars	March 31, 2024	March 31, 2023
Inventories	244.43	297.16
Cash and Other Bank Balances	22.42	118.62
Trade Receivable	498.35	387.59
Other Financial Assets	2.65	2.86
Other Current Assets	33.33	29.34
Total	**801.18**	**835.58**
Less:		
Borrowings	139.49	89.01
Lease Liability - ROU Asset	0.39	0.48
Trade Payables	286.94	186.58

(All figures are Rupees in crores unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Provisions	1.53	1.63
Other Current Liabilities	14.91	7.70
Other Financial Liabilities	42.77	37.54
Current Tax Liabilities	20.60	7.79
	506.63	**330.74**
Net Working Capital	**294.56**	**504.84**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31st March 2024

Particulars	Less than 1 year	2-5 years	More than 5 years	Total
Borrowing	139.49	-	-	139.49
Trade Payable	286.94	-	-	286.94
Other Financial Liabilities	42.77	-	-	42.77
Total	**469.20**	**-**	**-**	**469.20**

As at 31st March 2023

Particulars	Less than 1 year	2-5 years	More than 5 years	Total
Borrowing	89.01	-	-	89.01
Trade Payable	186.58	-	-	186.58
Other Financial Liabilities	37.54	-	-	37.54
Total	**313.14**	**-**	**-**	**313.14**

NOTE 40. FAIR VALUE HIERARCHY

This Section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2024 and March 31, 2023:

Particulars	Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through P&L				
Investments (*)	31-03-2024	-	-	1.35
Fair value of foreign exchange derivative assets	31-03-2024	-	-	-
Total financial assets		**-**		**1.35**

(All figures are Rupees in crores unless otherwise stated)

Particulars	Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through P&L				
Investments	31-03-2023	-	-	0.75
Fair value of foreign exchange derivative assets	31-03-2023	-	0.17	-
Total financial assets		**-**	**0.17**	**0.75**

(*) The Company has made an investment in Alternate Investment Fund (AIF) of Rs. 1.50 Crores (Rs. 0.75 Crores in previous year). This investment is marked at fair value through profit and Loss (FVTPL).

During the previous year in the absence of data of Fair Valuation as at March 31, 2023, the same is carried at its carrying value in books, although the same is accounted at FVTPL. The management does not expect the fair value changes to be material to the financial statements.

NOTE 41. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's adjusted net debt to equity ratio as follows:

Particulars	March 31, 2024	March 31, 2023
Gross Debt	139.49	89.01
Less: Cash and Cash Equivalent	12.06	99.26
Net debt (A)	**127.43**	**(10.25)**
Total Equity (B)	**816.11**	**816.11**
Gearing ratio (A/B)	**0.16**	**-**

Since net debt is negative Gearing ratio is "0", in previous year.

NOTE 42. RELATIONSHIP WITH STRUCK OFF COMPANIES

The information about transaction with struck off Companies (defined under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

NOTE 43. ANALYTICAL RATIOS

Analytical Ratios as per requirements of Schedule III are given in Statement 3.

NOTE 44. AUDIT TRAIL NOTE

The Ministry of Corporate Affairs (MCA) by the Companies (Accounts) Amendment Rules 2021 and vide notification dated 24 March 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021 has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

As required under above rules, the Company uses Navision and HRMS software for its financial accounting and HR which works along with Database for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded and the audit trail feature has not been tampered with except:

i) the audit trail feature was not enabled at the database level for accounting software "Navision" to log any direct data changes, used for maintenance of all accounting records by the Company.

(All figures are Rupees in crores unless otherwise stated)

ii) At present the audit trail is preserved only for a period of six months and all audit trails beyond six months are not preserved due to space constraints. Further, Back up of the audit trail has not been preserved as per statutory requirements for record retention due to cloud space constraints.

NOTE 45.

The Board of Directors at their meeting held on May 27, 2024 has recommended dividend of Rs. 1.25 per share (12.5 % of FV-Rs. 10) on the outstanding equity shares of nominal value of Rs. 10/- each as on record date, subject to shareholder approval at the ensuing Annual General Meeting.

NOTE 46.

The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of material accounting policy information and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2024.

NOTE 47.

Figures of the previous period have been regrouped/ reclassified wherever necessary including to conform to current period's classification.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441

Place: Mumbai
Dated: May 27, 2024

For & on behalf of the Board of Directors
Heranba Industries Limited

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

STATEMENT 1 - RETURNS/STATEMENTS SUBMITTED TO THE BANK

Sr. No.	Quarter	Name of bank	Particulars of Securities Provided	31-03-2024 (Amount in Crores)			Reason for material discrepancies
				Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	
1	Q1	Bank of Baroda	Stock	268.65	267.77	0.88	Refer Foot notes
2	Q1	Bank of Baroda	Books Debts	474.36	329.05	145.31	
3	Q1	Bank of Baroda	Trade payable	282.17	258.19	23.98	
4	Q2	Bank of Baroda	Stock	297.14	298.92	(1.78)	
5	Q2	Bank of Baroda	Books Debts	540.49	418.49	122.00	
6	Q2	Bank of Baroda	Trade payable	369.20	330.04	39.16	
7	Q3	Bank of Baroda	Stock	251.74	254.85	(3.11)	
8	Q3	Bank of Baroda	Books Debts	532.14	375.55	156.59	
9	Q3	Bank of Baroda	Trade payable	308.60	255.45	53.15	
10	Q4	Bank of Baroda	Stock	240.94	253.75	(12.81)	
11	Q4	Bank of Baroda	Books Debts	502.64	302.62	200.02	
12	Q4	Bank of Baroda	Trade payable	291.52	205.49	86.03	

Sr. No.	Quarter	Name of bank	Particulars of Securities Provided	31-03-2023 (Amount in Crores)			Reason for material discrepancies
				Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	
1	Q1	Bank of Baroda	Stock	303.87	303.87	(0.00)	Refer Foot notes
2	Q1	Bank of Baroda	Books Debts	440.44	527.10	(86.66)	
3	Q1	Bank of Baroda	Trade payable	253.96	267.64	(13.68)	
4	Q2	Bank of Baroda	Stock	343.53	343.53	(0.00)	
5	Q2	Bank of Baroda	Books Debts	545.67	566.75	(21.08)	
6	Q2	Bank of Baroda	Trade payable	369.35	332.53	36.83	
7	Q3	Bank of Baroda	Stock	318.19	318.19	(0.00)	
8	Q3	Bank of Baroda	Books Debts	487.27	506.08	(18.81)	
9	Q3	Bank of Baroda	Trade payable	246.66	211.95	34.72	
10	Q4	Bank of Baroda	Stock	291.93	291.93	0.00	
11	Q4	Bank of Baroda	Books Debts	387.58	441.26	(53.69)	
12	Q4	Bank of Baroda	Trade payable	186.58	178.17	8.41	

(All figures are Rupees in crores unless otherwise stated)

Foot Note:

1. There is a mismatch in the books and quarterly stock reports sent to the lenders due to error in tracing items of inventory viz a viz books and statement submitted to the lenders.

2. Quarterly statement submitted to the bank are subject to adjustment towards credit balances or debit balances of the same party (towards purchase and sales) and exchange fluctuation.

3. Quarterly Statement filed with the Banks are based on Bill dates.

4. Quarterly Statement filed with the Banks are considering the balances of only Raw Material and Packing Material Vendors.

5. Quarterly Statement filed with the Banks are without considering the Advance to Suppliers and Advance from Customers.

6. For last quarter of the current year provisional statement has been submitted, final statement in progress

STATEMENT 2 - RELATED PARTY TRANSACTIONS

A. Relationship

Wholly Owned Subsidiary

- Mikusu India Private Limited (w.e.f April, 9, 2022)
- Heranba Organics Private Limited (w.e.f August 29, 2022)

Step down Subsidiary

- Daikaffil Chemicals India Ltd (w.e.f February 5, 2024)

Enterprises over which key management personnel and their relatives exercise control

- Sams Industries Limited

Key Management Personnel and their Relatives

- Sadashiv K Shetty (Chairman)
- Raghuram K Shetty (Managing director)
- Sujata S Shetty (Whole time and executive director)
- Vanita R Shetty (Whole time and executive director)
- Shriraj S Shetty
- Raunak R Shetty (Whole time and executive director)
- Shreya Shetty
- Roshan R Shetty
- Sadashiv Shetty - HUF
- Raghuram Shetty - HUF

B. The following are the transactions with related parties

Related party transactions

Sr. No.	Nature of transaction	Subsidiary Companies		Key management personnel, their relatives		Enterprises where significant influence exists		Total	
		F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23
1	**Sales of Goods**	**107.91**	**20.32**	**-**		**-**		**107.91**	**20.32**
	Mikusu India Private Limited	106.74	20.32	-		-		106.74	20.32
	Heranba Organics Private Limited	1.16	-					1.16	-
2	**Purchase of Goods**	**2.95**	**1.36**	**-**		**-**		**2.95**	**1.36**
	Mikusu India Private Limited	2.95	1.36	-		-		2.95	1.36
3	**Loan Given to Subsidiaries**	**246.46**	**53.50**	**-**		**-**		**246.46**	**53.50**
	Mikusu India Private Limited	24.10	7.04	-		-		24.10	7.04
	Heranba Organics Private Limited	222.36	46.46	-		-		222.36	46.46
4	**Interest income on loan**	**14.50**	**0.78**	**-**		**-**		**14.50**	**0.78**
	Mikusu India Private Limited	1.66	0.07	-		-		1.66	0.07
	Heranba Organics Private Limited	12.84	0.71	-		-		12.84	0.71
5	**Rent Income**	**2.60**	**0.58**	**-**		**-**		**2.60**	**0.58**
	Mikusu India Private Limited	0.07	0.05	-		-		0.07	0.05
	Heranba Organics Private Limited	2.53	0.54	-		-		2.53	0.54
6	**Guarantee Income**	**0.03**	**-**	**-**		**-**		**0.03**	**-**
	Heranba Organics Private Limited	0.03	-	-		-		0.03	-

Sr. No.	Nature of transaction	Subsidiary Companies		Key management personnel, their relatives		Enterprises where significant influence exists		Total	
		F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23
7	**Sale of Capital Work in Progress**	**-**	**7.01**	**-**	**-**	**-**	**-**	**-**	**7.01**
	Heranba Organics Private Limited	-	7.01	-	-	-	-	-	7.01
8	**Professional Charges**	**-**	**-**	**0.18**	**0.18**	**-**	**-**	**0.18**	**0.18**
	Mrs. Shreya M Shetty	-	-	0.18	0.18	-	-	0.18	0.18
9	**Payment of Dividend**	**-**	**-**	**3.64**	**5.82**	**0.11**	**0.17**	**3.75**	**5.99**
	Sadashiv K Shetty	-	-	0.90	1.44	-	-	0.90	1.44
	Raghuram K Shetty	-	-	1.49	2.37	-	-	1.49	2.37
	Sujata S Shetty	-	-	0.40	0.65	-	-	0.40	0.65
	Vanita R Shetty	-	-	0.25	0.40	-	-	0.25	0.40
	Shriraj S Shetty	-	-	0.11	0.17	-	-	0.11	0.17
	Raunak R Shetty	-	-	0.08	0.13	-	-	0.08	0.13
	Shreya Shetty	-	-	0.12	0.19	-	-	0.12	0.19
	Roshan R Shetty	-	-	0.08	0.13	-	-	0.08	0.13
	Sadashiv K Shetty - HUF	-	-	0.04	0.06	-	-	0.04	0.06
	Raghuram K Shetty - HUF	-	-	0.17	0.28	-	-	0.17	0.28
	Sams Industries Limited	-	-	-	-	0.11	0.17	0.11	0.17
10	**Remuneration of key management personnel**	**-**	**-**	**3.55**	**7.76**	**-**	**-**	**3.55**	**7.76**
	Sadashiv K Shetty	-	-	1.56	1.43	-	-	1.56	1.43
	Raghuram K Shetty	-	-	1.39	5.61	-	-	1.39	5.61
	Sujata S Shetty	-	-	-	0.06	-	-	-	0.06
	Vanita R Shetty	-	-	-	0.06	-	-	-	0.06
	Shriraj S Shetty	-	-	0.30	0.30	-	-	0.30	0.30
	Raunak R Shetty	-	-	0.30	0.30	-	-	0.30	0.30
11	**Salary to relative of key management personnel**	**-**	**-**	**-**	**0.02**	**-**	**-**	**-**	**0.02**
	Sujata S Shetty	-	-	-	0.01	-	-	-	0.01
	Vanita R Shetty	-	-	-	0.01	-	-	-	0.01
12	**Investment in subsidiaries - During Year**	**-**	**0.15**	**-**	**-**	**-**	**-**	**-**	**0.15**
	Mikusu India Private Limited	-	0.05	-	-	-	-	-	0.05
	Heranba Organics Private Limited	-	0.10	-	-	-	-	-	0.10
13	**Loans & Advances - Outstanding Balance**	**299.65**	**53.50**	**-**	**-**	**-**	**-**	**299.65**	**53.50**
	Heranba Organics Private Limited	268.51	46.46		-		-	268.51	46.46
	Mikusu India Private Limited	31.14	7.04	-	-	-	-	31.14	7.04
14	**Trade Receivables - Outstanding Balance**	**79.73**	**11.64**	**-**	**-**	**-**	**-**	**79.73**	**11.64**
	Heranba Organics Private Limited	4.11	-	-	-	-	-	4.11	-
	Mikusu India Private Limited	75.63	11.64	-	-	-	-	75.63	11.64
15	**Fair Value of Guarantee given in form of Quasi Equity**	**0.31**	**-**	**-**	**-**	**-**	**-**	**0.31**	**-**
	Heranba Organics Private Limited	0.31	-	-	-	-	-	0.31	-
16	**Guarantee given to Outstanding Balance**	**29.49**	**-**	**-**	**-**		**-**	**29.49**	**-**
	Heranba Organics Private Limited	29.49	--	-	-	-	-	29.49	-
17	**Guarantee given by Outstanding Balance**	**139.49**	**86.90**	**-**	**-**		**-**	**139.49**	**86.90**
	Guarantee given by Directors to Bank	139.49	86.90	-	-	-	-	139.49	86.90

Related party relationships are as identified by the Company and relied upon by the auditors.

The managerial personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as this is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.

STATEMENT 3 - ANALYTICAL RATIOS

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2023-24)	Ratio (2022-23)	% of Variation	Reason for variance
1	Current ratio	Current Asset / Current Liabilities	1.58	2.53	-37.40%	Overall decrease in current assets
2	Debt-Equity ratio	Total Debts / Shareholders Equity	0.16	0.11	45.76%	Fresh borrwoings taken during the year
3	Debt Service Coverage ratio	Earnings available for debt service / Debt Service	8.09	15.43	-47.54%	Due to overall decreae in profit as compared to previous year
4	Return on Equity ratio (ROE)	Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	7.84%	14.39%	-45.54%	Due to overall decreae in profit as compared to previous year
5	Inventory Turnover Ratio	Cost of goods sold OR sales / Average Inventory	3.29	3.21	2.52%	
6	Trade Receivables turnover ratio	Net Credit Sales / Average Accounts Receivable	2.88	3.17	-9.34%	
7	Trade payables turnover ratio	Other Expenses Excl. Bad Debts w/off and Expected Credit Loss Provision, Donation and CSR / Average Trade Payables	4.65	5.06	-8.07%	
8	Net capital turnover ratio	Net Sales / Average working capital	3.19	2.65	20.39%	
9	Net profit ratio	Net Profit After Tax / Net Sales	5.21%	8.31%	-37.39%	Due to overall decreae in profit as compared to previous year
10	Return on Capital employed (ROCE)	Earning before interest and taxes / Capital Employed	10.04%	16.80%	-40.21%	Due to overall decreae in profit as compared to previous year
11	Return on Investment (ROI)	{MV(T1) – MV(T0) – Sum [C(t)]} / {MV(T0) + Sum [W(t) * C(t)]}	0.83%	3.71%	-77.53%	Fresh investment made during the year

The return on investment is computed on the basis of distribution amount received by the Company from the AIF.

Independent Auditor's Report

To
The Members of
Heranba Industries Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Heranba Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as amended ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit (including Consolidated Other Comprehensive Income), and consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The auditors report of one subsidiary of the Company carried a paragraph on Emphasis of Matter – material Uncertainty relating to Going Concern which we have decided to reproduce and the same is as follows.

We draw attention to Note No. 41 to the financial statements (step down subsidiary) which describes the facts about planned closure of manufacturing operations for limited period of time in FY 2021-22, primarily on account of dry-up of sales orders and management's actions to reduce the fixed costs and focus on increasing trading activities till the time manufacturing operations restart. The Company's 48.48% equity share capital is acquired by Mikusu India Private Limited which is wholly owned subsidiary of Heranba Industries Limited during the year. Due to significant change in control over the board of directors of the Company and accordingly the Company has been treated as subsidiary Company of the ultimate holding Company "Heranba Industries Limited".

The management does not foresee any threat to going concern status of the Company and prepared the financial statements of the Company on going concern basis for the reasons elaborately discussed in the said Note. In forming our conclusion, we have considered the adequacy of the disclosure made in above referred Note and other places in the annual accounts. However, the plans explained by the management depend upon how the future events unfold and indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1.	**Revenue Recognition** The timing of revenue recognition is relevant to the reported performance of the Company.	**Our procedures included, amongst others:** • We assessed the compliance of the revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS").

Sr. No.	Key Audit Matter	Auditors' Response
	We identified revenue recognition as a key audit matter because of quantum of revenue and the time and audit effort involved in auditing the terms of the customers contract and the revenue recognized.	• We evaluated the design and operating effectiveness of the relevant key financial controls with respect to revenue recognition on selected transactions. • Using statistical sampling, we tested the terms of the revenue contracts against the recognition of revenue based on the underlying documentation and records and evaluated accuracy and existence of the revenue being recognised in the correct accounting period. • We tested the accuracy and existence of revenue recognized at year end. On a sample basis, we evaluated the revenue being recognised in the correct accounting period. We have assessed the adequacy of disclosures in the standalone financial statements against the requirements of Ind AS 115, Revenue from contracts with customers.
2.	**Inventory Valuation** Inventory represents a significant portion of total assets as at March 31, 2024, with carrying value of Rs. 274.72 crores, in the books of Holding Company. Inventories are valued at lower of cost and net realizable value. The Company writes down inventories to net realizable value on account of obsolescence, expiry and non-moving inventory, based on management's assessment. Assessing net realizable value and identification of slow moving, expired and obsolete inventory are areas which require use of significant judgements and owing to the inherent complexities, this is considered to be a key audit matter.	**Our procedures included, amongst others:** • We understood and evaluated the process relating to determination of net realizable value of inventories and identification of slow moving, expired and obsolete inventories. • We attended stock counts to identify whether any inventory was obsolete. • We assessed the basis for the inventory valuation, the consistency in policy and the rationale in its application. • We tested the accuracy of the ageing of inventories based on system generated reports. • We reviewed the testing done for net realizable value of inventories and future plans for consumptions. • We tested the arithmetical accuracy of valuation files. We have assessed the appropriateness of disclosures in the Standalone Financial Statements in accordance with the applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon. We have read the Director's Report forming part of the Annual Report which has been made available to us and found the same to be in order. However, the other contents of the Annual Report are expected to be made available to us after the date of this report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Substantial portion of the Other Information has not been made available to us till the date of this report. We will read the Other Information as and when it is made available to us and if conclude that there is a material misstatement, we are required to communicate the matter with those charged with governance and take necessary steps as may be required thereafter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including Consolidated Other Comprehensive Income), and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

3. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTER

1. We did not audit the financial statements of Daikaffil Chemicals India Limited, whose financial statements reflect total assets of Rs. 11.78 Crores as at March 31, 2024, total revenue of Rs. 0.71 Crores and net cash inflow amounting to Rs. 6.52 Crores for the period ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. The said financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

2. Attention is invited to Note 51 of the Consolidated Financials Statement highlighting the fact that the Holding Company has prepared the consolidated financial statements for the first time in the previous financial year, the comparative figures of consolidated cash flow for the previous period could not be prepared and hence not presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of The Companies Act, 2013, we give in the attached "**Annexure A"**, a statement of the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Changes in Equity, dealt with by this Report are in agreement with the relevant books of accounts, workings and records maintained for the purpose of preparation of the Consolidated Financial Statements.

   d. In our opinion, the Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. In Case of Step-down subsidiary Company as reported by their auditors.

      The matter described in Material Uncertainty related to Going Concern paragraph mentioned hereinabove, in our opinion, may have an adverse effect on the functioning of the Company.

   f. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2024, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   g. With reference to maintenance of accounts and other matter therewith, reference is invited to paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended.

   h. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated Financial Statements.

   i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 to the Consolidated Financial Statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.

iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv. (a) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") except as disclosed under note 4 of Standalone Financial Statement of Holding Company with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv(a.)) and (iv(b.)) above contain any material misstatement.

v. In the matter of dividend proposed, declared and paid during the previous year by the Holding Company:

i. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year, is in accordance with Section 123 of the Act.

ii. As stated in note no 49 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of the dividend proposed is in accordance with Section 123 of the Act.

iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

vi. Based on our examination for the Holding Company which included test checks, except for instances/matters mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except:

i. the audit trail feature was not enabled at the database level for accounting software "Navision" to log any direct data changes, used for maintenance of all accounting records by the Company;

ii. At present the audit trail is preserved only for a period of six months and all audit trails beyond six months are not preserved due to space constraints. Further, Back up of the audit trail has not been preserved as per statutory requirements for record retention due to cloud space constraints.

As regards Components forming part of the Consolidated Financial Statements, in respect of two of the wholly owned subsidiaries which are audited by us, the software used by them is same as the Holding Company and therefore our comments as above are appliable in respect of these two subsidiaries.

In respect of the step down subsidiary, on the basis of the consideration of the Audit reports of the respective auditors of the step down subsidiary which is a Company incorporated in India whose financial statements have been audited under the Act, the subsidiary has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except as stated hereunder (if any). Further, during the course of audit, the respective auditor of the above referred subsidiary, in so far as it appears from our review of the audit report of the respective auditor, did not come across any instance of the audit trail feature being tampered.

Further as regards the Holding Company and the two wholly owned subsidiaries audited by us, As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024. However, considering the fact that audit trail beyond six months are not preserved, the Company will not be in a position to preserve records as per the requirements of the Companies Act relating to record retention.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441
UDIN: 24040441BKFTGY9451

Place: Mumbai
Dated: May 27, 2024

Annexure-A to the Auditor's Report

To the Independent Auditors' Report on the Consolidated Financial Statements of Heranba Industries Limited

As required by clause 3(xxi) of the Companies (Auditors Report) Order, 2020 relating to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements, we report hereinbelow in the table qualifications/adverse reporting by the auditors.

Sr. No.	Name of the Company/CIN	Relationship Holding/Subsidiary/ Associate/Joint Venture	Clause number of the Caro report which is qualified or adverse
1.	Heranba Industries Limited CIN - L24231GJ1992PLC017315	Holding	3(ii)(b)
2.	Daikaffil Chemical India Private Limited CIN - L24114MH1992PLC067309	Step down Subsidiary	3(i)(b)

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441
UDIN: 24040441BKFTGY9451

Place: Mumbai
Dated: May 27, 2024

Annexure-B to the Auditors' Report

Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Heranba Industries Limited of even date

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements (Financial Statements) of the Holding Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of Heranba Industries Limited (hereinafter referred to as ('the Holding Company')) and its subsidiaries which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, and its subsidiaries which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiaries which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiary, which are companies incorporated in India, are based on the corresponding reports of the auditor of such companies.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441
UDIN: 24040441BKFTGY9451

Place: Mumbai
Dated: May 27, 2024

(All figures are Rupees in crores unless otherwise stated)

Consolidated Balance Sheet

As at 31st March 2024

Particulars	Note No.	As at 31st March 2024	As at 31st March 2024
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	2	445.12	208.52
(b) Capital work-in-progress	2	137.21	71.73
(c) Financial assets			
(i) Investments	3	1.57	0.77
(ii) Loans	4	0.00	-
(iii) Other financial assets	5	11.54	5.42
(d) Deferred tax assets (Net)	6	18.68	7.92
(e) Other non-current assets	7	25.03	23.76
Total Non-Current Assets		**639.15**	**318.12**
Current Assets			
(a) Inventories	8	274.72	303.59
(b) Financial assets			
(i) Investments	3	-	-
(i) Trade receivables	9	466.88	386.18
(ii) Cash and cash equivalents	10	28.50	100.06
(iii) Bank balances other than (iii) above	11	11.05	19.37
(iv) Other financial assets	5	2.71	2.87
(c) Other current assets	7	56.62	32.09
Total Current Assets		**840.48**	**844.16**
TOTAL ASSETS		**1,479.63**	**1,162.28**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	40.01	40.01
(b) Other equity	13	803.05	770.36
Equity attributed to owners of the Holding Company		**843.06**	**810.37**
Non-Controlling Interest		10.00	-
Total Equity		**853.06**	**810.37**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long-Term Borrowings	14	17.91	-
(ii) Lease Liabilities	15	3.62	3.51
(iii) Other Financial Liabilities	16	-	-
(b) Other Non-current liabilities	21	-	-
(c) Provisions	17	11.04	8.99
(d) Deferred Tax Liabilities	18	2.98	-
Total Non-Current Liabilities		**35.55**	**12.50**
Current Liabilities			
(a) Financial Liabilities			
(i) Short-Term Borrowings	19	143.04	89.01
(ii) Lease Liabilities	15	0.39	0.48
(iii) Trade payables	20		
- Dues of Micro and Small Enterprise		28.84	14.47
- Dues of Other than Micro and Small Enterprise		260.73	174.85
(iv) Other Financial Liabilities	16	117.53	43.08
(b) Other current liabilities	21	18.19	8.09
(c) Provisions	17	1.70	1.63
(d) Current tax Liabilities (Net)	22	20.60	7.80
Total Current Liabilities		**591.02**	**339.41**
Total Liabilities		**626.57**	**351.91**
Total Equity and Liabilities		**1,479.63**	**1,162.28**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441

Place: Mumbai
Dated: May 27, 2024

For & on behalf of the Board of Directors
Heranba Industries Limited

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

Consolidated Statement of Profit and Loss

For the year ended 31st March 2024

	Particulars	Note No.	For the year 2023-24	For the year 2022-23
I	**Income**			
	Revenue from Operations	23	1,257.07	1,318.82
	Other Income	24	13.83	12.22
	Total Income		**1,270.90**	**1,331.04**
II	**Expenses**			
	Cost of materials consumed	25	826.75	907.99
	Purchase of stock-in-trade	26	16.63	7.30
	Changes in Inventories of Finished Goods and Work-in-Progress	27	23.36	(33.32)
	Employee Benefit Expenses	28	85.44	67.06
	Finance Costs	29	12.35	7.94
	Depreciation and Amortisation Expenses	30	26.11	22.73
	Other Expenses	31	228.02	213.76
	Total Expenses		**1,218.66**	**1,193.46**
III	**Profit before Tax**		**52.24**	**137.58**
IV	**Tax Expense**	32		
	(a) Current Tax		28.87	38.87
	(b) (Excess)/Short provision for taxation in respect of earlier years		(0.41)	(0.49)
	(c) Deferred tax charge/(credit)		(10.72)	(5.17)
			17.74	**33.21**
V	**Profit for the Year**		**34.50**	**104.37**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of the net defined benefit liability/asset		(0.01)	0.14
	- Taxes thereon		0.01	(0.03)
	Items that will be reclassified to profit or loss			
	- Time value of derivatives designated as cash flow hedges		-	0.11
	- Taxes thereon		-	(0.03)
VII	**Total other Comprehensive Income**		**(0.00)**	**0.19**
VIII	**Total Comprehensive Income for the year**		**34.50**	**104.56**
	Profit for the period attributable to			
	Owners of the parent		34.89	104.37
	Non-controlling interest - profit/(loss)		(0.39)	-
			34.50	**104.37**
	Other Comprehensive Income for the period attributable to			
	Owners of the parent		(0.00)	0.19
			(0.00)	**0.19**
	Non-controlling interest - profit/(loss)		-	-
	Total Comprehensive Income for the period attributable to			
	Owners of the parent		34.89	104.56
	Non-controlling interest - profit/(loss)		(0.39)	-
			34.50	**104.56**
	Earning per share (Basic and diluted)	33	**8.72**	**26.08**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

For & on behalf of the Board of Directors
Heranba Industries Limited

N. Jayendran
Partner
M. No.: 040441

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

Statement of Consolidated Cash Flow

For the year ended 31st March 2024

Particulars		For the year ended 31st March 2024
[A]	CASH FLOW FROM OPERATING ACTIVITIES	
	Profit/(Loss) before tax	52.24
	Adjustments for	
	Depreciation/Amortisation/Impairment of Property, Plant and Equipments	26.11
	Dividend Income	(0.00)
	Interest Income	(3.20)
	Interest Expenses	12.35
	Provision for Doubtful Receivables/Advances/Sundry balances written off	6.16
	Interest Income fair valued under Ind AS 109	(0.01)
	(Profit)/Loss on sale of Property, Plant and Equipments (Net)	(0.10)
	Loss on Fair value of Investment	0.15
	(Profit)/Loss on sale of Investments (Net)	(0.01)
	Deemed Rent under Ind AS 109	0.01
	Unrealised foreign exchange (gain)/loss (Net)	(3.56)
	Sundry Balances Written back	(5.88)
	Operating Profit/(Loss) before changes in working capital	**84.26**
	Adjustment for (Increase)/Decrease in Operating Assets	
	Adjustments for decrease (increase) in inventories	30.04
	Adjustments for decrease (increase) in trade receivables, current	(88.65)
	Adjustments for decrease (increase) in other current assets	(24.24)
	Adjustments for other financial assets	(5.93)
	Adjustment for Increase/(Decrease) in Operating Liabilities	
	Adjustments for increase (decrease) in trade payables, current	106.01
	Adjustments for increase (decrease) in other current liabilities	10.10
	Adjustments for provisions	2.09
	Adjustments for other financial liabilities, current	10.29
	Changes in working capital	**39.71**
	Cash flow from operations after changes in working capital	
	Net Direct Taxes (Paid)/Refunded	(16.77)
	Net Cash Flow from/(used in) Operating Activities	**107.20**
[B]	CASH FLOW FROM INVESTING ACTIVITIES	
	Proceeds from sales of property, plant and equipment	1.06
	Purchase of property, plant and equipment	(253.52)
	Purchase of investment in venture fund	(0.76)
	Dividends received	0.00
	Payment towards Acquisition of Step down subsidiary	(6.98)
	Interest received	3.20
	(Investment)/Proceeds from Bank Deposit	16.09
	Net Cash Flow from/(used in) Investing Activities	**(240.91)**
[C]	CASH FLOW FROM FINANCING ACTIVITIES	
	Net Proceeds from short term borrowings	77.61
	Payments of finance lease liabilities	(0.96)
	Dividends paid	(5.00)
	Interest paid	(9.63)
	Net Cash Flow from/(used in) Financing Activities	**62.02**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(71.69)**
	Cash & Cash Equivalents at beginning of period	100.06
	Add: Cash & Cash Equivalents on account of Acquisition of Subsidiary	0.13
	Cash and Cash Equivalents at end of period (see Note 1)	**28.50**

(All figures are Rupees in crores unless otherwise stated)

Statement of Consolidated Cash Flow (CONTD.)

For the year ended 31st March 2024

NOTE

Particulars		For the year ended 31st March 2024
1.	**Cash and Cash equivalents comprises of:**	
	Cash on Hands	0.04
	Balance with Banks	28.46
	Cash and Cash equivalents	**28.50**

Refer Note No. 51 to the Notes Forming Part of the Consolidated Financial Statements as at and for the Year Ended March 31, 2024.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

For & on behalf of the Board of Directors
Heranba Industries Limited

N. Jayendran
Partner
M. No.: 040441

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Dated: May 27, 2024

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2024

A. EQUITY SHARE CAPITAL

Particulars	As at 31st March 2024			As at 31st March 2023		
	Number of shares	Face value Rs. per share	(Rs. in crores)	Number of shares	Face value Rs. per share	(Rs. in crores)
Opening balance	4,00,13,467	10.00	40.01	4,00,13,467	10.00	40.01
Changes due to prior period errors						
Restated balance at the beginning of the current reporting period	**4,00,13,467**	**10.00**	**40.01**	**4,00,13,467**	**10.00**	**40.01**
Changes during the current year	-	-	-	-	-	-
Balance at the end	**4,00,13,467**	**10.00**	**40.01**	**4,00,13,467**	**10.00**	**40.01**

B. OTHER EQUITY

Particulars	Reserves and Surplus					Other Comprehensive Income		Equity Attributed to the Shareholders of the Company	Non Controlling Interest	Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve on Acquisition	Retained Earnings	Debts Instruments through Other Comprehensive Income (Net of Tax)	Effective portion of Cash Flow Hedges (Net of Tax)			
Balance at April 01, 2022	**58.18**	**0.25**	**46.75**	**-**	**568.72**	**0.63**	**(0.09)**	**674.44**	**-**	**674.44**
Profit for the year	-	-	-	-	104.37	-	-	104.37	-	104.37
Less: Classified to Profit and Loss on realisation	-	-	-	-	-	(0.63)	-	(0.63)	-	(0.63)
Items of Other Comprehensive Income: Remeasurement of net defined benefit	-	-	-	-	0.10	-	-	0.10	-	0.10
Time value of derivatives designated as cash flow hedges	-	-	-	-	-	-	0.08	0.08	-	0.08
Dividend Paid and Tax thereon	-	-	-	-	(8.00)	-	-	(8.00)	-	(8.00)
Balance at 31st March, 2023	**58.18**	**0.25**	**46.75**	**-**	**665.19**	**-**	**(0.01)**	**770.36**	**-**	**770.36**
Addition on account of Acquisition of Subsidiary	**-**	**-**	**-**	**2.79**	**-**	**-**	**-**	**2.79**	**10.39**	**13.18**

(All figures are Rupees in crores unless otherwise stated)

Consolidated Statement of Changes in Equity (CONTD.)

For the year ended 31st March, 2024

B. OTHER EQUITY (CONTD.)

Particulars	Reserves and Surplus					Other Comprehensive Income		Equity Attributed to the Shareholders of the Company	Non Controlling Interest	Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve on Acquisition	Retained Earnings	Debts Instruments through Other Comprehensive Income (Net of Tax)	Effective portion of Cash Flow Hedges (Net of Tax)			
Profit for the year	-	-	-	-	34.89	-	-	34.89	(0.39)	34.50
Less: Classified to Profit and Loss on realisation	-	-	-	-	-	-	-	-	-	-
Items of Other Comprehensive Income: Remeasurement of net defined benefit	-	-	-	-	(0.00)	-	0.01	0.00	-	0.00
Time value of derivatives designated as cash flow hedges	-	-	-	-	-	-	-	-	-	-
Dividend Paid and Tax thereon	-	-	-		(5.00)	-	-	(5.00)	-	(5.00)
Balance at 31st March, 2024	**58.18**	**0.25**	**46.75**	**2.79**	**695.08**	**-**	**-**	**803.05**	**10.00**	**813.04**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

N. Jayendran
Partner
M. No.: 040441

Place: Mumbai
Dated: May 27, 2024

For & on behalf of the Board of Directors
Heranba Industries Limited

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Abdul Latif
Company Secretary

Raj K Bafna
Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. COMPANY OVERVIEW

Heranba Industries Limited is a public limited Company domiciled in India, incorporated in 1992 under the Companies Act, 1956. The Company is principally engaged in the business of manufacturing and sale of Agro chemical products. The registered office of the Company is located at Vapi, Gujarat The Consolidated financial statements are approved for issue by the Company's Board of Directors on May 27, 2024

2. STATEMENT OF COMPLIANCES

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

3. PRINCIPAL OF CONSOLIDATION

a) The consolidated financial statements relate to the Company, and its two wholly owned Subsidiaries and one step-down subsidiaries (the holding and subsidiaries together referred to as "The Group". The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement" of the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the following basis:

b) Mikusu India Private Limited (wholly owned subsidiary Company - Acquirer Company/Mikusu) has entered into Share Purchase Agreement dated November 08, 2023, with the promoters and other shareholders to acquire 29,08,719 Equity Shares (FV of Rs. 10 Each) consisting of 48.48% of the total equity share capital of Daikaffil Chemicals India Limited (Daikaffil). The Acquirer Company has de-facto control over Daikaffil being the single largest shareholder who has controlling votes at the AGM of the Company based on the historical data of voting pattern at the last three AGM where the votes cast by the promoter is in excess of 80% of the total vote cast. Further directors of holding Company are on the board of Daikaffil post-acquisition. Therefore, in accordance with Ind AS 110 - Consolidated Financial Statements under the Companies (Indian Accounting Standards) Rules 2015. Heranba Industries Limited ("Ultimate holding Company") has consolidated financial statements of M/s Daikaffil Chemicals India Limited from February 05, 2024, as a step-down subsidiary.

c) The consolidated financial statements of the subsidiary companies are consolidated on a line-by-line basis adding together like items of assets, liabilities, equity, income and expenses. Intercompany balances and transactions including unrealized gain/loss on such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at that group.

The list of entities included in consolidation and Company's holding therein are as under:

Name of the Companies	Relationship	Country of Incorporation	% of Ultimate Holding (2023-24)	% of Ultimate Holding (2022-23)
Mikusu India Private Limited	Subsidiary	India	100%	100%
Heranba Organics Private Limited	Subsidiary	India	100%	100%
Daikaffil Chemical India Limited (holding through Mikusu India Private Limited)	Step down Subsidiary	India	48.48%	NA

4. BASIS OF PREPARATION, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of Preparation of Consolidated Financial Statements

- The Consolidated financial statements of the Company comprises the statement of assets and liabilities as at March 31, 2024, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, the statement of cash flow for the year ended March 31, 2024, the summary of statement of significant accounting policies, and other explanatory information (collectively, the "Financial Statements").
- These Consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the financial statements.
- The Consolidated Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to

be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

- Accounting policies have been consistently applied except where newly issued India accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- The Consolidated financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

4.2 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management's judgments, estimates and assumptions that impacts the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes thereon. Uncertainty about these assumptions and estimates could result in outcomes that might require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates

The preparation of the Consolidated financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgments

The Company's management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements, while formulating the Company's accounting policies:

a. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases, attrition rates and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operating in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Impairment of property, plant and equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. As at the end of the year no judgement were exercised in this regard which impacts the useful life or the depreciation rates.

d. Impairment of investment in subsidiaries and investments

For determining whether the investments in subsidiaries, joint ventures and associates as well as other investments are impaired requires an estimate in the value in use of investments. In considering the value in use, the Company has estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments. The management assesses that all the investment including the new step down subsidiary are strategic fit for the group and therefore do not need any impairment provisioning as at the year end.

e. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

f. Recognition and measurement of other provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, past experience and circumstances known at the closing date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4.3 Recent pronouncements

There has been no recent accounting pronouncements made by Ministry of Corporate Affairs relating to the Companies (Indian Accounting Standards) Rules, 2015.

4.4 Material Accounting policies Information

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property Plant and Equipment, Investment Property and Depreciation/Amortisation

A. Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. On transition to IND AS for the first time, the Company adopted the deemed cost approach mentioned in Ind AS 101 – First time adoption in respect of its Property, Plant and Equipment.

B. Depreciation is provided on written down value based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Plant & Machinery	20
Servers and networks	6
Computer desktops and laptops	3
Laboratory Equipment's	10
Office Equipment's	5
Plumbing and Piping	20-25
Electrical Installation	10
Factory Building	30
Non-Factory Buildings	60
Vehicles	8
Furniture and Fixture	10
Leasehold Land	Over Primary Lease period

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

c) Asset classified as Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Assets are not depreciated or amortized while they are classified as held for sale. Assets classified as held for sale are presented separately from the other assets in the balance sheet.

d) Investments

i) Investment in Subsidiary

Investments in Subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

ii) Other Investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis. Equity investments at FVTOCI are subsequently measured at fair value through OCI. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Investments other than the above are classified as FVTPL and are subsequently measured at fair value. The net gains and losses, including any dividend income, are recognised in profit or loss.

e) Inventories

All inventories are stated at lower of 'Cost and Net Realizable Value':

i. Stores and spares, packing materials and raw materials are valued at lower of cost and net realisable value and for this purpose, cost is determined on First in First Out (FIFO) basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

ii. Finished products and Work in Progress are valued at lower of cost and net realisable value and for this purpose. Cost of finished goods and work in progress includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

iii. Traded goods are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.

   Net realisable value is the estimated selling price in the ordinary course of business, less estimated remaining costs of completion and the estimated costs necessary to make the sale.

f) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

g) Foreign currency transactions

i. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.

ii. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.

iii. Non-monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

iv. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

h) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle a reliably assessable obligation. Provisions are determined.

based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are also present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities are not recognized in the financial statements but are disclosed separately.

Contingent assets are not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.

i) Financial Assets

Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

i. Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR.

The EIR amortization is included in finance income in the statement of profit & loss. The losses arising from impairment are recognized in the statement of profit and loss.

ii. Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are measured at fair value through Other Comprehensive Income (OCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are subsequently measured at Fair Value. Interest Income under Effective Interest method, foreign exchange gains and losses and impairment losses are recognized in the statement of profit and Loss. Other net gains and losses are recognized in OCI.

iii. Financial asset not measured at amortised cost or at fair value through OCI is carried at Fair Value through Profit and Loss.

iv. Equity Investments

All Equity investments within the scope of Ind AS 109 are measured at Fair Value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For Equity instruments classified as FVOCI, all fair value changes in the instrument excluding dividends are recognized in OCI. Dividends on such equity instruments are recognized in the statement of Profit or loss.

De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

  The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the statement of Profit and Loss. Gains and losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to Profit and Loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to Profit or Loss on derecognition.

j) Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i) Recognition and Initial Measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Liability is initially measured at fair value plus, for an item not at fair value through profit and loss, net of transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through Profit or Loss (FVTPL)**

  Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial Liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

- **Financial liabilities at amortised cost**

  After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

l) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

m) Derivative financial instruments and Hedge Accounting

Derivative financial instruments such as forward contracts to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

n) Cash Flow Hedge

The Company designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold or terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

o) Impairment

a. financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial asset measured at amortized cost.

Loss allowances on trade receivables are measured following the 'Simplified Approach' at an amount equal to the Lifetime ECL at each reporting date. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In respect of other financial asset, the loss allowance is measured at 12-month ECL only, if there is no significant deterioration in the credit risk since initial recognition of an asset or asset is determined to have a low credit risk at the reporting date.

b. Impairment of Non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Revenue Recognition

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

Interest and dividend

Interest income including income arising on other instruments are recognised on time proportion basis using the effective interest rate method.

Dividend income is recognized when the right to receive dividend is established.

Export Benefits

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

q) Employee benefits

a) Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as define contribution plan and the contributions are recognised as employee benefit expense when they are due.

b) Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rs. is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered.

r) Borrowings and Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

s) Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

t) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares are adjusted retrospectively for all periods presented for any bonus shares issues.

u) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

v) Trade Payables & Trade Receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

w) A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at transaction values and subsequently measured at amortised cost using the EIR method (if there is a financing element), less provision for expected or lifetime credit loss.

x) Leases

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is:

1) increased by interest on lease liability;

2) reduced by lease payments made; and

3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e., at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short-term leases has been adopted by Company.

y) Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments the chief operating decision maker regularly monitors and reviews the operating results of the whole Company as one segment of "Agro -Chemicals". Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss. The analysis of geographical segments is based on the areas in which customers of the Company are located.

(All figures are Rupees in crores unless otherwise stated)

Notes Forming Part of the Consolidated Financial Statements

As at and for the year ended March 31, 2024

NOTE 2. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold Land	Leasehold land	Plant and Equipment	Buildings	Other Buildings	Electrical Installation	Piping	Laboratory Equipments	Office Equipment	Computers	Vehicles	Furniture & Fixtures	Right to Use Asset	Total
Gross Carrying Value														
Balance at 1st April, 2022	0.26	63.12	137.41	52.75		14.59	5.34	2.52	2.35	1.05	7.86	1.90	2.39	291.55
Additions	0.53	7.99	13.34	4.43		1.89	-	1.66	0.70	0.30	2.12	1.49	4.15	38.62
Disposals/Termination of Lease Arrangement	-	-	-	-		-	-	-	-	0.00	0.48	-	0.94	1.43
Balance at 31st March, 2023	0.80	71.11	150.75	57.19	-	16.48	5.34	4.18	3.05	1.35	9.50	3.39	5.60	328.74
Accumulated depreciation and impairment														
Balance at 1st April, 2022	-	2.47	63.05	13.65		6.76	4.73	0.63	0.75	0.80	3.40	0.92	0.95	98.12
Eliminated on disposal of assets	-	-	-	-		-	-	-	-	0.00	0.45	-	0.18	0.64
Depreciation charge	-	0.78	10.90	4.25		2.08	0.07	0.71	0.85	0.25	1.59	0.27	0.99	22.73
Balance at 31st March, 2023	**-**	**3.25**	**73.95**	**17.90**	**-**	**8.84**	**4.79**	**1.33**	**1.60**	**1.05**	**4.54**	**1.19**	**1.76**	**120.22**
Net carrying value as on 31st March, 2023	0.80	67.86	76.80	39.29	-	7.64	0.54	2.85	1.44	0.31	4.96	2.20	3.84	208.52
Gross Carrying Value														
Balance at 1st April, 2023	0.80	71.11	150.75	57.19	-	16.48	5.34	4.18	3.05	1.35	9.50	3.39	5.60	328.75
Additions	4.90	-	144.47	81.93	-	14.54	-	0.16	0.83	0.40	1.59	0.75	0.58	250.14
Addition on account of Acquisition of Subsidiary	-	9.36	1.06	3.79	0.02	0.01	-	0.01	0.01	0.01	0.02	-	-	14.29
Disposals/Termination of Lease Arrangement	-	-	-	-	-	-	-	-	-	0.00	1.99	-	-	2.00
Balance at March 31, 2024	5.70	80.47	296.28	142.91	0.02	31.03	5.34	4.35	3.89	1.76	9.11	4.14	6.17	591.18
Accumulated depreciation and impairment														
Balance at 1st April, 2023	-	3.25	73.95	17.90	-	8.84	4.79	1.33	1.60	1.05	4.54	1.19	1.76	120.23
Addition on account of Acquisition of Subsidiary	-	-	0.41	0.29	0.00	0.01	-	0.01	-	0.01	0.02	-	-	0.75
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	0.00	1.03	-	-	1.03
Asset Held for Sale														
Depreciation charge	-	0.88	12.65	5.30	0.00	2.36	0.06	0.77	0.71	0.24	1.77	0.61	0.76	26.11
Balance at March 31, 2024	**-**	**4.13**	**87.02**	**23.50**	**0.00**	**11.21**	**4.85**	**2.10**	**2.31**	**1.30**	**5.29**	**1.80**	**2.52**	**146.04**
Net carrying value as on March 31, 2024	**5.70**	**76.34**	**209.26**	**119.41**	**0.02**	**19.83**	**0.49**	**2.25**	**1.58**	**0.46**	**3.83**	**2.34**	**3.65**	**445.12**

The Group has carried out the exercise of assessment of any indication of impairment to its property plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no indicators of impairment to its property, plant and equipment as at balance sheet date.

(All figures are Rupees in crores unless otherwise stated)

Capital work-in-progress

Particulars	Total
Balance as at April 01, 2022	**14.23**
Addition	61.62
Less: Capitalised during the year	(4.12)
Less: Transfer during the year	-
Closing balance as on March 31, 2023	**71.73**
Addition	268.96
Addition on account of Acquisition of Subsidiary	0.03
Less: Capitalised during the year	(194.99)
Less: Transfer during the year	(8.52)
Closing balance as on March 31, 2024	**137.21**

Notes

Capital Work-in-Progress (CWIP) ageing schedule is as under:

CWIP (As on 31st March 2024)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 to 3 years	> 3 years	
Projects in progress					
Sarigam	24.29	22.78	-	-	47.07
Unit 1	0.79	-	-	-	0.79
Unit 2	0.35	-	-	-	0.35
Unit 4	-	-	0.66	-	0.66
Saykha	82.09	6.20	-	-	88.29
Daikaffil	-	-	0.05	-	0.05
Total	**107.53**	**28.98**	**0.71**	**-**	**137.21**

CWIP (As on 31st March 2023)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2 to 3 years	> 3 years	
Projects in progress					
Sarigam	33.43	7.84	-	-	41.27
Unit 1	22.50	-	-	-	22.50
Unit 2	0.83	0.17	-	-	1.00
Unit 4	-	0.66	-	-	0.66
Saykha	6.31	-	-	-	6.31
Daikaffil	-	-	-	-	-
Total	**63.06**	**8.67**	**-**	**-**	**71.73**

Completion schedule in respect of Capital-Work-in-Progress (CWIP) as on March 31, 2024, whose completion is overdue and has exceeded its cost compared to its original plan is as under:

Ageing	Project in Progress	Total
Less than 1 year	128.82	128.82
1-2 years	-	-
2 to 3 years	0.71	0.71
> 3 years	-	-
Total	**129.53**	**129.53**

(All figures are Rupees in crores unless otherwise stated)

In case of Holding Company

For the year ended March 31,2024: Projects in progress consists of plant and equipment which are yet to be installed.

For the year ended March 31,2023: Projects in progress consists of buildings, plant and equipment which are under construction/ installation during the year which is nearing completion and is expected to be capitalized in FY 2024-25.

1. Contractual Obligation:

Refer note 34 on disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.

2. Property, Plant & Equipment taken on finance lease:

The Property, Plant & Equipment includes leasehold land where the Company is a lessee under finance lease. The lease term in respect of leasehold land is long term lease with ability to opt for renewal of the lease term.

3. Assets Held for Sale:

Since the asset held for sale is between the parent and subsidiary at the group level there is no asset held for sale and the same forms part of PPE.

4 In cases of step-down subsidiary Daikaffil Chemicals India Limited:

The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has changed accounting policy to account PPE under cost model as to align with the accounting policy and management estimates followed by the ultimate holding Company. Accordingly effects are incorporated in financial results and financial position for the year and quarter ended March 31, 2024. Revaluation reserves of Rs. 9.92 Crores is removed as on 1st April 2022 and PPE are reinstated at cost less accumulated. The Depreciation and amortisation of PPF and RoU assets is decreased from 0.53 Crores in FY 2023-24 and Rs. 0.67 Crores in FY 2022-23. Impact of decrease pertaining to prior to April 1, 2023 has been effected in retained earning o/s as on 01.04.2022.

NOTE 3. INVESTMENTS

Particulars	As at 31st March 2024	As at 31st March 2023
Non-Current		
Investments in equity instruments (un-quoted) at cost		
2,000 (As at March 31, 2023, 2,000) Equity Shares of The Shamrao Vithal Co-op. Bank Ltd.	0.01	0.01
13,193 (P.Y.13,193) shares of face value Rs. 100/- each of Tarapur Environment Protection Society.	0.19	0.00
1,000 (As at March 31, 2023, 1,000) Equity shares of Matrubhumi Co-op. Credit Society Limited	0.01	0.01
A)	**0.21**	**0.02**
Investments in equity instruments (At fair value through profit/loss) (quoted)		
41 (PY: 41) Equity Shares of United Phosphorus Ltd. (FV of Rs. 2) (Full Figure as March 31, 2024: Rs. 29,415.30 and as at March 31, 2023: Rs. 29,415.30)	0.00	0.00
200 (PY: 200) Equity Shares of Aditya Birla Money Ltd. (FV of Re. 1) (Full Figure as March 31, 2024: Rs. 9,110.00 and as at March 31, 2023: Rs. 9,110.00)	0.00	0.00
500 (PY: 500) Equity Shares of Gujarat State Financial Corporation Ltd. (FV of Rs. 10) (Full Figure as March 31, 2024: Rs. 3000.00 and as at March 31, 2023: Rs. 3,000.00)	0.00	0.00
Less: Provision for Impairment (Full Figure as March 31, 2024: Rs. 41,525.30 and as at March 31, 2023: Rs. 41,525.30)	0.00	0.00
B)	**0.00**	**0.00**
Investments in equity instruments (At fair value through profit/loss) (unquoted)		
150 Units (March 2023: 75 Units) Investment With Fireside Ventures Investment Fund (*)	1.35	0.75
C)	**1.35**	**0.75**
Other Investment (un-quoted)		
National Savings Certificates [Lodged with Government Departments as security]	0.01	0.01
D)	**0.01**	**0.01**

(All figures are Rupees in crores unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
F)	-	-
Total Non-Current Investments (A+B+C+D)	**1.57**	**0.77**
Aggregate amount of quoted investments	**0.00**	**0.00**
Aggregate amount of un-quoted investments	**1.57**	**0.77**

(*) In case of the Holding Company has made an investment in Alternate Investment Fund (AIF) of Rs. 1.50 Crores (Rs. 0.75 Crores in previous year). This investment is marked at fair value through profit and Loss (FVTPL).

During the previous year in the absence of data of Fair Valuation as at March 31, 2023, the same is carried at its carrying value in books, although the same is accounted at FVTPL. The management does not expect the fair value changes to be material to the financial statements.

NOTE 4. LOANS

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Loans to Employees (Full figures as at March 31, 2024 Rs. 40,853)	0.00		-	
Total	**0.00**	**-**	**-**	**-**

NOTE 5. FINANCIAL ASSETS

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Balance with bank held as margin money (*)	0.29	0.29	-	-
Security deposits and Earnest Money Deposits #	10.96	5.13	2.25	2.22
Interest Accrued and Due	-	-	0.03	-
Staff Advances	0.29	-	0.43	0.48
Fair value of foreign exchange derivative assets	-	-	-	0.17
Total	**11.54**	**5.42**	**2.71**	**2.87**

(*) In case of Holding Company - Balances with bank in fixed deposits are kept as security for guarantees/government authorities.

In case of step-down subsidiary Daikaffil Chemicals India Limited - Includes Rs. 0.08 Crores paid as deposit for Environment Relief Fund towards order passed by Hon'ble National Green Tribunal and deposit against Company's share of contribution against 30% paid as per Hon'ble Supreme Court Order.

NOTE 6. DEFERRED TAX ASSETS (NET)

The following is the analysis of deferred tax asset/(liabilities) presented in the balance sheet:

Particulars	Non-Current	
	As at 31-03-2024	As at 31-03-2023
Deferred Tax Asset		
Tax Disallowance	7.37	2.67
Unabsorbed Losses	8.76	-
Impairment Allowance for trade receivables	6.39	5.44
Fair valuation of financing arrangement	3.68	0.01
Others	-	0.79
Property, Plant and Equipment including ROU	0.02	-
Unrealised Profit	0.50	-

(All figures are Rupees in crores unless otherwise stated)

Particulars	Non-Current	
	As at 31-03-2024	As at 31-03-2023
Deferred Tax Liability		
Property, Plant and Equipment including ROU	(8.04)	(0.96)
Fair Valuation of Investment (Full Figure as March 31,2024: Rs. 10451 March 31, 2023: Rs. 887)	0.00	0.00
Others	-	(0.03)
Total	**18.68**	**7.92**

In case of Mikusu India Private Limited (subsidiary), the subsidiary during the year has created Deferred tax asset on unabsorbed losses considering that there is reasonable certainty that the projected brand sales will generate taxable profits in future.

In case of the Heranba organics Private Limited (subsidiary), the subsidiary Company has created Deferred Tax Asset on its unabsorbed losses considering the reasonable certainty of taxable profit from its project under implementation.

Deferred Tax is created considering the tax rate under Section 115BAB as the Company plans to avail the benefit of Section 115BAB granting of concessional rate of Income Tax.

NOTE 7. OTHER ASSETS

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
(Unsecured, considered good)				
Advance to Suppliers	-	-	3.24	4.54
Capital Advances	20.29	21.84	-	-
Balance with Revenue Authorities	-	-	40.30	26.11
Indirect Tax Receivable	-	-	11.27	-
Taxes Paid under Protest	4.04	1.09	-	-
Prepaid Expense	0.21	0.55	1.77	1.44
Prepaid Rent on Security Deposit	0.15	-	0.04	-
Advance Income Tax (Net of Provision for Taxation)	0.34	0.28	-	-
Total	**25.03**	**23.76**	**56.62**	**32.09**

NOTE 8. INVENTORIES

Particulars	As at 31-03-2024		As at 31-03-2023	
Inventories (lower of cost and net realisable value)				
Raw materials				
- Other	66.06		74.84	
- Stock in Transit	3.21	69.27	0.90	75.74
Work-in-Progress		25.71		15.38
Finished Goods				
- Manufactured	120.67		182.46	
- Traded	35.91		9.31	
- Stock-in-Transit	4.11	160.69	2.06	193.83
Packing materials		15.87		13.40
Stores and Spares		3.54		5.24
Less: Provision for non-moving inventories		(0.36)		-
Total		**274.72**		**303.59**

(All figures are Rupees in crores unless otherwise stated)

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Amount of inventories recognised as an expense	884.38	901.60
Amount of write - down of inventories recognised as an expense	2.76	0.12
	887.14	**901.72**

NOTE 9. TRADE RECEIVABLES

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured		
Trade Receivables considered good	466.88	386.18
Trade Receivables which have significant increase in Credit Risk	17.67	11.51
Trade Receivables - credit impaired	10.09	10.09
Less: Impairment loss allowance	(27.76)	(21.60)
Total	**466.88**	**386.18**

A. Expected Credit Loss

Allowance for Expected Credit Loss

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss.

The trade receivables ageing schedule for the year ended on 31st March, 2024 as follows:

Range of O/s period	Undisputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	
Unbilled	-	-	-	-
Not Due	-	-	-	-
less than 6 months	284.97	4.10	-	289.07
6 months - 1 year	112.38	8.63	-	121.01
1-2 years	35.81	1.83	-	37.64
2-3 years	6.35	0.66	-	7.01
> 3 years	27.36	2.45	10.09	39.90
Total	**466.89**	**17.67**	**10.09**	**494.64**
Less: Impairment loss allowance	-	(17.67)	(10.09)	(27.76)
Total	**466.89**	**-**	**-**	**466.88**

In case of Holding Company, with reference to Note no 35 there are legal cases filed against the Company by some of the customers, however there are no receivables from these customers as at March 31, 2024 and therefore there are no balances shown as disputed receivables.

The trade receivables ageing schedule for the year ended on 31st March, 2023 as follows:

Particulars	Undisputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	
Unbilled	-	-	-	-
Not Due	-	-	-	-
less than 6 months	281.88	1.95	-	283.83

(All figures are Rupees in crores unless otherwise stated)

Particulars	Undisputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	
6 months - 1 year	63.99	6.00	-	69.99
1-2 years	11.92	1.07	-	12.99
2-3 years	20.05	0.53	0.42	21.00
> 3 years	8.34	1.96	9.67	19.97
Total	**386.18**	**11.51**	**10.09**	**407.77**
Less: Impairment loss allowance	-	(11.51)	(10.09)	(21.60)
Total	**386.18**	**-**	**-**	**386.18**

Movement of Expected Credit Loss

Particulars	Opening	Addition	Written off/ Reversed	Closing
As at March 31, 2024	21.60	6.16	-	27.76
As at March 31, 2023	22.45	0.10	(0.86)	21.60

NOTE 10. CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks		
- in current accounts	28.46	54.70
- in deposit with original maturity of less than three months	-	45.19
Cash on hand	0.04	0.17
Total	**28.50**	**100.06**

NOTE 11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31-03-2024	As at 31-03-2023
- Balance with bank held as margin money*	10.78	12.33
- Unpaid Dividend Balance**	0.07	-
- Fixed deposits with original maturity of more than 3 months but less than 12 months #	0.20	7.04
Total	**11.05**	**19.37**

In case of Holding Company

* The Company has pledged above deposits with bank as Bank Guarantee and margin money amounting to Rs. 10.35 Crores for Current year and Rs. 12.33 Crores for Previous year.

** These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose, amounting to Rs. 0.01 Crores.

In case of step-down subsidiary Daikaffil Chemicals India Limited

* The Company has pledged above deposits with bank as Bank Guarantee and margin money, amounting to Rs. 0.43 Crores.

** These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose, amounting to Rs. 0.06 Crores.

Fixed deposits with original maturity of more than 3 months but less than 12 months: The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

(All figures are Rupees in crores unless otherwise stated)

NOTE 12. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2024	As at 31-03-2023
Authorised Share Capital		
4,50,00,000 (As at 31st March, 2023: 4,50,00,000) Equity Shares of Rs. 10/- each	45.00	45.00
Issued and Subscribed Capital		
4,00,13,467 (As at 31st March, 2023: 4,00,13,467) Equity Shares of Rs. 10/- each fully paid up	40.01	40.01
	40.01	**40.01**

a) Terms/rights attached to equity shares

The Holding Company has a single class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

As per the records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

b) Reconciliation of Number of Shares Outstanding

Particulars	Number of shares
Fully paid equity shares	
Balance at 1st April, 2022	4,00,13,467
Increase/(Decrease) during the year	-
Balance at 31st March, 2023	4,00,13,467
Increase/(Decrease) during the year/Bonus shares	-
Balance at 31st March, 2024	4,00,13,467

c) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

During the year ended March 31, 2019, the Holding Company made an bonus issue in the proportion of 4:1 i.e.4 (Four) bonus equity share of Rs. 10 each for every 1 (One) fully paid-up equity shares held was approved by the shareholders of the Company on 09th July, 2018 through voting at the Meeting by show of hands. Subsequently, on 09th July, 2018, the Holding Company allotted 3,12,45,224 (Three Crore Twelve Lakh Forty Five Thousand Two Hundred Twenty Four) equity shares to shareholders who held equity shares as on the record date of 09th July, 2018 and Rs. 31.25 crore (representing par value of Rs. 10 per share) was transferred from securities premium and retained earnings to the share capital.

d) Details of shareholders holding more than 5% equity shares in the Company:

	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	%	No. of Shares	%
Fully paid equity shares				
Mr. Sadashiv K. Shetty	72,01,796	18.00%	72,01,796	18.00%
Mr. Raghuram K. Shetty	1,19,11,446	29.77%	1,18,94,446	29.73%
Mrs. Sujata S. Shetty	32,30,400	8.07%	32,30,400	8.07%
Mrs. Vanita R. Shetty	20,18,000	5.04%	20,18,000	5.04%
	2,43,61,642	**60.88%**	**2,43,44,642**	**60.84%**

(All figures are Rupees in crores unless otherwise stated)

e) Details of Promoters shareholders holding in equity shares of the Company

Promoter Name	As at 31-03-2024			As at 31-03-2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoters						
Sadashiv K Shetty	72,01,796	18.00%	-	72,01,796	18.00%	-
Raghuram K Shetty	1,19,11,446	29.77%	0.14%	1,18,94,446	29.73%	0.11%
Promoters Group						
Sujata S Shetty	32,30,400	8.07%	-	32,30,400	8.07%	-
Vanita R Shetty	20,18,000	5.04%	-	20,18,000	5.04%	-
Sams Industries Ltd.	8,67,288	2.17%	-	8,67,288	2.17%	0.01%
Raghuram K Shetty HUF	13,80,000	3.45%	-	13,80,000	3.45%	-
Shreya S Shetty	9,42,500	2.36%	-	9,42,500	2.36%	-
Shriraj S Shetty	8,42,500	2.11%	-	8,42,500	2.11%	-
Raunak R Shetty	6,36,250	1.59%	-	6,36,250	1.59%	-
Roshan R Shetty	6,36,250	1.59%	-	6,36,250	1.59%	-
Sadashiv K Shetty HUF	3,20,600	0.80%	-	3,20,600	0.80%	-
Nithyanand K Shetty	108	0.00%	100%	0	0.00%	-

NOTE 13. OTHER EQUITY

Particulars	As at 31-03-2024	As at 31-03-2023
Securities Premium	58.18	58.18
General Reserve	46.75	46.75
Capital Redemption Reserve	0.25	0.25
Capital Reserve on Acquisition	2.79	-
Other Comprehensive Income	-	(0.01)
Retained Earnings	695.08	665.19
Total	**803.05**	**770.36**

Security Premium

Security Premium represents the premium received on issue of shares. It can be utilised to pay-off equity related expenses or for issuance of bonus shares and its related issue expenses.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10 % of the paid up share capital of the Holding Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Capital Redemption Reserve

Capital redemption reserve represents the amount of profits transferred from general reserve for the purpose of redemption of preference shares or for the buyback of shares.

Capital Reserve on Acquisition

Capital Reserve on Acquisition represents the excess of the fair value of Assets less Liabilities over the purchase consideration in accordance with Ind AS 103.

(All figures are Rupees in crores unless otherwise stated)

NOTE 14. LONG-TERM BORROWINGS

Particulars	As at 31-03-2024	As at 31-03-2023
Financing Arrangement under Sale and Lease Back Arrangement (*)	21.46	-
Less: Current Maturities	(3.55)	-
Total	**17.91**	**-**

(*) The Subsidiary Company Heranba Organic Private Limited has entered in a Master Lease Agreement dated January 29, 2024, with Siemens Financial Services Private Limited ("SFSPL") whereby the Subsidiary Company has sold some of the Plant and Machinery to SFSPL and taken it back on Lease for a tenor of 60 months. At the end of the lease period the Subsidiary Company has a repurchase option at a pre determined price. Ind AS 116 states that in cases where Ind AS 115 is not satisfied seller-lessee shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds. Accordingly the Subsidiary Company has shown the Plant and Machinery under Property, Plant and Equipment and has shown the transfer proceeds as Financing Arrangement under Sale and Lease Back Arrangement under Long Term Borrowings in accordance with the guidance available which states that the criteria for Sale under Ind AS 115 have not been satisfied.

NOTE 15. LEASE LIABILITIES

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Lease Liability	3.62	3.51	0.39	0.48
Total	**3.62**	**3.51**	**0.39**	**0.48**

Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

a) Movement in Lease Liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning	3.99	1.63
Addition during the year	0.58	4.04
Interest on lease liabilities	0.40	0.45
Terminations	-	(0.93)
Lease Payments	(0.96)	(1.20)
Closing	**4.01**	**3.99**

b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability on an undiscounted basis:

Ageing	As at 31-03-2024	As at 31-03-2023
Within One year	0.75	0.87
Two to Five years	2.30	1.95
More than Five years	3.53	4.07
Total	**6.58**	**6.89**

c) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(All figures are Rupees in crores unless otherwise stated)

NOTE 16. OTHER FINANCIAL LIABILITIES

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Interest accrued	-	-	5.16	3.97
Security Deposit from Dealers (Interest bearing @ 9% p.a)	-	-	11.92	8.85
Payable for Rate Differences	-	-	20.59	17.19
Employee Benefits Payable			13.07	9.24
Unpaid Dividend*	-	-	0.07	-
Capital Creditors	-	-	66.72	3.83
Total	**-**	**-**	**117.53**	**43.08**

* As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124(5) of the Companies Act, 2013.

NOTE 17. PROVISIONS

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Employee Benefits				
Provision for leave benefit	2.93	2.82	1.05	1.03
Provision for Gratuity	8.11	6.17	0.65	0.60
Total	**11.04**	**8.99**	**1.70**	**1.63**

Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The Group has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs. 20 lacs. The Holding Company's and Step Down Subsidiary's gratuity liability is funded. In case of other two subsidiaries the liability is unfunded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

	Particulars	As on March 31, 2024	As on March 31, 2023
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	10.70	9.43
	Current Service Cost	1.43	1.10
	Interest Cost	0.80	0.67
	Actuarial (Gain)/Loss-Other Comprehensive Income	(0.01)	(0.18)
	Benefits paid directly by the Employer	-	(0.00)
	Benefits paid by the Fund	(0.47)	(0.32)
	Defined Benefit obligation at the year end	**12.44**	**10.70**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	3.93	3.25
	Expected return on Plan Assets	0.21	0.19
	Actuarial Gain/(Loss)	-	-

(All figures are Rupees in crores unless otherwise stated)

Particulars		As on March 31, 2024	As on March 31, 2023
	Employer Contribution	-	0.81
	Benefits Paid	(0.47)	(0.32)
	Fair Value of Plan Assets at the year end	**3.67**	**3.93**
(c)	**Actual Return on Plan Assets**		
	Interest Income	0.29	0.23
	Return on Plan Assets, Excluding Interest Income	(0.02)	(0.05)
	Actual Return on Plan Assets	**0.28**	**0.18**
(d)	**Reconciliation of fair value of assets and obligations**		
	Fair Value of Plan Assets	3.67	3.93
	Present value of Defined Benefit obligation	12.44	10.70
	Liability recognized in Balance Sheet	**8.77**	**6.77**
(e)	**Expenses recognized during the year (Under the head "Employees Benefit Expenses")**		
	Current Service Cost	1.43	1.10
	Interest Cost	0.45	0.44
	Net Cost	**1.87**	**1.54**
(f)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	**0.01**	**(0.14)**
(g)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	8.11	6.17
	Short-term provisions	0.65	0.60
		8.77	**6.77**

ii) Actuarial Assumptions

Particulars	As on March 31, 2024	As on March 31, 2023
Expected return on Plan Assets	7.23%	7.47% - 7.50%
Discount rate (per annum)	7.23%	7.47% - 7.50%
Attrition rate	5%	5%
Rate of escalation in salary (per annum)	8%	8%

iii) Expected Payout

Particulars	As on March 31, 2024	As on March 31, 2023
Projected Benefits Payable in Future Years From the Date of Reporting		
Expected Payout 1st Following Year	1.11	1.12
Expected Payout 2nd Following Year	0.94	0.59
Expected Payout 3rd Following Year	0.72	0.84
Expected Payout 4th Following Year	0.83	0.70
Expected Payout 5th Following Year	1.08	0.78
Expected Payout 6th to 10th Following Year	5.30	4.93
Expected Payout for Years 11 & above	15.87	14.34

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the Holding Company fully or partially pre-fund the liabilities under the plan.

(All figures are Rupees in crores unless otherwise stated)

iv) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	As at 31-03-2024			As at 31-03-2023		
	Discount Rate	Salary Growth Rate	Attrition Rate	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption	1%	1%	1%	1%	1%	1%
Increase in assumption	(0.94)	0.99	(0.05)	(0.82)	0.89	(0.03)
Decrease in assumption	1.08	(0.91)	0.05	0.93	(0.81)	0.03

Gratuity is a defined benefit plan and group is exposed to the Following Risks:

1. Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

2. Interest rate risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

3. Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

4. Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

5. Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

6. Concentration Risk:

Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

In case of Daikaffil Chemicals India Limited

The Company has classified various employee benefits as under:

A. Defined Contribution Plans

The Company makes Contribution to Provident fund and employees pension scheme to Defined Contribution plan for qualifying employees. Under the schemes the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Provident Fund is operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024
Contribution to Provident Fund	0.14
Total	**0.14**

B. Defined Benefit Plans

a) The Company offers the following employee benefit scheme to its employees

i) Gratuity

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60, subject to a payment ceiling of Rs. 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

(All figures are Rupees in crores unless otherwise stated)

ii) Other Defined Benefit plans (Compensated Absences)

The obligations under the compensated absences plan have been determined by Independent Actuary using Projected Unit Credit (PUC) method. Compensated absences is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The provision towards Compensated Absences is as under:

Particulars	As at March 31, 2024
Non-Current liability	-
Current liability/(Asset)	0.12
Total	**0.12**

Gratuity is defined benefit plan and Company is exposed to following Risks:

Interest Risk:

A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Mortality Risk:

Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan does not have any longevity risk.

The Company offers the following employee benefits scheme to its employees:

a. Gratuity (Partly funded through annual payment to Life insurance corporation of India and balance provided in books).

   The Company has recognised full unfunded gratuity obligation at balance sheet date due to temporary shutdown and the retrenchment of factory workers. With the withdrawal of closure and reinstatement of workers, the Company has decided not to conduct an actuarial valuation at this stage. The Company will retain the excess liability on its balance sheet until normal factory operations regularise.

b. Compensated absences encashment (Partly funded through annual payment to Life insurance corporation of India and balance provided in books).

NOTE 18. DEFERRED TAX LIABILITIES

Particulars	As at 31-03-2024	As at 31-03-2023
Deferred Tax Liabilities		
Fair Valuation of Property, Plant & Equipment	2.98	-
Total	**2.98**	**-**

NOTE 19. SHORT-TERM BORROWINGS

Particulars	As at 31-03-2024	As at 31-03-2023
From Banks (Secured)		
Bills Discounted with Bank of Baroda	7.30	7.24
Foreign Currency Loan from Bank of Baroda	44.78	49.48
Packing Credit from Bank of Baroda	32.22	30.18
Packing Credit From CTBC	34.95	-
Bank of Baroda CC	20.24	-
Current Maturities of Long Term Borrowings	3.55	-
Bills Discounted through MSME Bank	-	2.11
	143.04	**89.01**

(All figures are Rupees in crores unless otherwise stated)

Notes:

I. Terms and Security of Borrowings:

a. **Cash Credit - Bank of Baroda:** Sanctioned Limit Rs. 74.75 crores, CC Interest rate 9.35% p.a.

b. **Foreign Currency Loan - Bank of Baroda:** It is a sublimit of Rs. 60 crores at Interest rate of around 7.62% p.a. sanctioned under overall Cash Credit limit of Rs. 74.75 crores.

c. **Working Capital Loan - Bank of Baroda:** It is a sublimit of Rs. 50 crores sanctioned under overall Cash Credit limit of Rs. 74.75 crores.

d. **Packing Credit - Bank of Baroda:** Sanctioned limit Rs. 75.00 crores at average Interest rate of around 6.43% p.a. (P.Y. Sanctioned limit Rs. 75.00 crores at average Interest rate of around 6.50% p.a.).

e. **Letter of Credit - Bank of Baroda:** Sanctioned limit Rs. 45 crores, commission @ 0.25%.

f. **Packing Credit - HDFC Bank:** Sanctioned limit Rs. 25 crores with sublimit of Cash credit facility of Rs. 25 crores or Working capital demand loan of Rs. 25 crores, However there is no drawdown against the sanction.

g. **Letter of Credit- HDFC Bank:** Sanctioned limit Rs. 10 crores, However there is no drawdown against the sanction.

h. **Working Capital Demand Loan - CTBC Bank Co. Ltd.:** Sanctioned limit Rs. 35 crores at interest rate to be decided at disbursement, Company has not taken disbursement during year.

i. **Packing Credit - CTBC Bank Co. Ltd.:** Sanctioned limit Rs. 35 crores at average interest rate 6.43% p.a.

j. Bill discounted through MSME Bank are repayable within a period of 90 days bearing interest range of 7% to 8%.

Above cash credit and packing credit limits are secured by way of exclusive first charge on hypothecation of entire inventories, Book debts and other current assets present & future.

The above facilities are secured as follows:

a. Pari pasu First charge on the current assets of the Holding Company both present and future.

b. Pari pasu Equitable Mortgage of all land and buildings and hypothecation of plant and machinery situated at factories or at godowns.

c. Personal Guarantee of Mr. R.K.Shetty, Mr. S.K.Shetty, Mr. Raunak Shetty and Mr Shriraj Shetty.

II. Disclosure "As per the amendment to Ind AS 7 Statement of Cash Flow" an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	Lease Liabilities	Short-term Borrowings	Long-term Borrowing	Interest Accrued	Total
Opening Balance	3.99	89.01	-	3.97	96.98
Changes in Financial Cash flow	(0.96)	56.15	21.46	(9.63)	67.02
Internal Transfer		3.55	(3.55)		-
Interest accrued during the year	0.40			10.82	11.21
Other Non-Cash Adjustments	0.58	(5.68)			(5.10)
Closing Balance as at March 31, 2024	**4.01**	**143.04**	**17.91**	**5.16**	**170.12**

III. Borrowings from banks or financial institutions on the basis of security of current assets:

The Holding Company has borrowings during the year from banks on the basis of security of current assets, the disclosure w.r.t documents submitted to lenders is tabulated in Statement 1.

IV. Registration of charges or satisfaction with Registrar of Companies:

All the charges or satisfaction as per the sanction are duly registered with Registrar of Companies as at March 31, 2024 and March 31, 2023 in favour of the lenders for facilities availed by the Company.

NOTE 20. TRADE PAYABLES

Particulars	As at 31-03-2024	As at 31-03-2023
Dues of Micro and Small Enterprise	28.84	14.47
Dues of Other than Micro and Small Enterprise	260.73	174.85
Total	**289.57**	**189.32**

(All figures are Rupees in crores unless otherwise stated)

As at March 31, 2024

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	5.38	-
Not Due	-	-	0.02	-
Less than 1 year	28.84	-	248.66	-
1-2 years *	0.00	-	1.21	-
2-3 years	-	-	0.44	-
> 3 years	-	-	5.02	-
Total	**28.84**	**-**	**260.73**	**-**

* (Full figures as at March 2024, Rs. 19,516)

As at March 31, 2023

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	5.57	-
Not Due	-	-	-	-
Less than 1 year	14.46	-	159.76	-
1-2 years	0.01	-	2.14	-
2-3 years *	0.00	-	5.95	-
> 3 years	-	-	1.43	-
Total	**14.47**	**-**	**174.85**	**-**

(* full figures for 2-3 years Rs. 26,418).

Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Particulars	As at 31-03-2024	As at 31-03-2023
Principal amount due	28.84	14.47
Interest due on above	0.23	0.01
The amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of interest due and payable for the period of delay	0.23	0.01
Amount of interest accrued and remaining unpaid as at year end	0.23	0.01
Amount of further interest remaining due and payable in the succeeding year*	0.04	-

* Balance shown in financials of step down subsidiary Daikaffil Chemical India Limited.

The MSME Parties have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

NOTE 21. OTHER LIABILITIES

Particulars	Non-Current		Current	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
Advance against orders	-	-	14.56	6.40
Statutory liabilities	-	-	3.63	1.69
Guarantee liabilities	-	-	-	-
Total	**-**	**-**	**18.19**	**8.09**

(All figures are Rupees in crores unless otherwise stated)

NOTE 22. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31-03-2024	As at 31-03-2023
Current tax liabilities	20.60	7.80
Total	**20.60**	**7.80**

NOTE 23. REVENUE FROM OPERATIONS

Particulars	For the year 2023-24	For the year 2022-23
Sale from operations		
Sale of Goods	1,141.28	1,289.14
Sale of Traded Goods	107.29	22.11
	1,248.57	**1,311.25**
Other operating revenue		
Export Incentive	8.50	7.57
Total	**1,257.07**	**1,318.82**

I. Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015.

a) Revenue disaggregation based on Service Type and by Geographical Region:

i) Revenue disaggregation by type of Service is as follows:

Major Service Type	For the year 2023-24	For the year 2022-23
Sale of Goods	1,141.28	1,289.14
Sale of Traded Goods	107.29	22.11
Export Incentive	8.50	7.57
	1,257.07	**1,318.82**

ii) Revenue disaggregation by geographical region is as follows:

Geographical Region	For the year 2023-24	For the year 2022-23
India	833.11	776.38
Outside India	423.96	534.87
Total revenue from operations	**1,257.07**	**1,311.25**
Timing of revenue recognition		
At a point in time	1,257.07	1,311.25
Total revenue from operations	**1,257.07**	**1,311.25**

b) Contract Balances:

The Contract liability primarily relate to advances received from the customers against orders. Significant changes in the contract liabilities balance during the period are as under:

Particulars	For the year 2023-24	For the year 2022-23
Contract liabilities		
Balances at the beginning of the year	6.40	11.75
Revenue recognised that is included at the beginning of the period	(6.40)	(11.75)
Advances received during the year	14.56	6.40
Advances outstanding during the year	14.56	6.40

Out of the total contract liabilities outstanding as on 31 March 2024, Rs. 14.56 crores and 31 March 2023 Rs. 6.4 crores will be recognized by 31 March 2025 and 31 March 2024 respectively.

(All figures are Rupees in crores unless otherwise stated)

c) Significant adjustments between the contracted price and revenue recognized in the Statement of profit and loss account:

Particulars	For the year 2023-24	For the year 2022-23
Reconciliation of revenue from operations with Contract Price		
Contract Price	1,216.29	1,334.52
Less:		
Discounts	32.28	23.27
Total Revenue from operations	**1,248.57**	**1,311.25**

NOTE 24. OTHER INCOME

Particulars	For the year 2023-24	For the year 2022-23
Interest Income	3.20	3.42
Interest Income fair valued under Ind AS 109 (Full Figure for 22-23: Rs. 40,978.77)	0.01	0.00
Dividend Income (Full Figure for 23-24: Rs. 6,792 and for 22-23: Rs. 17,792)	0.00	0.00
Foreign Exchange Fluctuation Gain (Net)	3.66	4.19
Termination of Lease Agreements	-	0.17
Remeasurement of Financial asset accounted on Amortised cost (Full Figure for 23-24: Rs. Nil and for 22-23: Rs. 11,140)	-	0.00
Profit on Sale of Property, Plant & Equipment	0.10	0.06
Profit on sale of investment	0.01	0.64
Reversal of Expected Credit Loss	-	0.96
Sundry Balances Written Back	5.88	1.62
Miscellaneous income	0.97	1.16
Total	**13.83**	**12.22**

NOTE 25. COST OF MATERIALS CONSUMED

Particulars	For the year 2023-24	For the year 2022-23
Opening Stock	89.14	76.90
Addition account of Acquisition of Subsidiary	0.93	-
Add: Purchases	821.82	920.23
Less: Closing stock	85.14	89.14
Total	**826.75**	**907.99**

NOTE 26. PURCHASE OF STOCK-IN-TRADE

Particulars	For the year 2023-24	For the year 2022-23
Purchase of Stock-in-Trade	16.63	7.30
Total	**16.63**	**7.30**

NOTE 27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year 2023-24	For the year 2022-23
Inventory adjustment - WIP		
Opening Stock of Work-in-Progress	15.38	8.72
Addition on account of Acquisition of Subsidiary	0.50	
Closing Stock of Work-in-Progress	(25.71)	(15.38)
	(9.83)	**(6.66)**

(All figures are Rupees in crores unless otherwise stated)

Particulars	For the year 2023-24	For the year 2022-23
Inventory adjustment - Finished Goods		
Opening Stock of Finished Goods	184.53	167.18
Addition on account of Acquisition of Subsidiary	0.04	
Closing Stock of Finished Goods	(124.78)	(184.53)
	59.79	**(17.35)**
Inventory adjustment - Traded goods		
Opening Stock of Finished Goods	9.31	-
Addition on account of Acquisition of Subsidiary	0.00	
Closing Stock of Finished Goods	(35.91)	(9.31)
	(26.60)	**(9.31)**
Total	**23.36**	**(33.32)**

The inventory cost of finshed goods in current year includes write down of Rs. 2.76 Crores and in previous year of Rs. 0.12 Cores.

NOTE 28. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year 2023-24	For the year 2022-23
Salaries, wages and bonus, etc.	78.03	61.29
Contribution to provident and other funds	4.36	3.21
Staff welfare expenses	3.05	2.56
Total	**85.44**	**67.06**

NOTE 29. FINANCE COSTS

Particulars	For the year 2023-24	For the year 2022-23
Interest on Financial Liability at amortised cost	8.13	5.04
Interest on Statutory Dues	0.00	0.19
Interest on Income Tax	1.13	0.71
Interest on MSME	0.23	0.01
Interest on Lease Liability	0.40	0.45
Interest on Financing Arrangement	0.43	-
Amortisation of Upfront Fees	0.02	-
Other Finance Charges	2.01	1.54
Total	**12.35**	**7.94**

NOTE 30. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year 2023-24	For the year 2022-23
Depreciation of property, plant and equipment	25.35	21.74
Depreciation of Right to Use Asset	0.76	0.99
Total	**26.11**	**22.73**

NOTE 31. OTHER EXPENSES

Particulars	For the year 2023-24	For the year 2022-23
Consumption of Stores and Spares	20.40	19.75
Factory Expense	11.41	5.42
Repairs & Maintenance to		
- Machinery	6.74	5.76
- Building	1.92	1.93
- Vehicle	0.14	0.31

(All figures are Rupees in crores unless otherwise stated)

Particulars	For the year 2023-24	For the year 2022-23
- Others	1.26	2.09
Insurance	3.02	2.73
Rent	4.01	5.53
Rates and Taxes	0.76	-
Donations	0.16	0.21
Labour Charges	29.29	20.07
Allowances for doubtful debts	6.16	0.10
Provision for Impairment of Investments (Full Figure for 23-24: Rs. Nil and for 22-23: Rs. 41,525.30)	-	0.00
Remuneration to Auditor (Refer Note a)	0.37	0.32
Remuneration to Component Auditors	0.02	
Legal and Professional Charges	7.19	4.78
Loss on Fair value of Investment (Full Figure for 22-23: Rs. 2,666.70)	0.15	0.00
Loss on Sale of Investment	-	0.03
Power and Fuel	70.21	86.88
Research and Development Fees	1.60	1.10
Selling and Distribution expense	39.71	37.65
Corporate Social Responsibility	4.05	4.26
Sitting Fees	0.06	0.06
Business Acquisition Expenses	0.74	-
Other Expenses	18.65	14.78
Total	**228.02**	**213.76**

a) Remuneration to Auditor

Particulars	2023-24	2022-23
- Statutory Audit fees including Limited Review	0.31	0.26
- Tax Audit	0.06	0.05
- Reimbursement of Expenses	0.01	0.00
Total	**0.37**	**0.31**

b) Total expenditure on R & D is included in respective heads of accounts as under

Particulars	2023-24	2022-23
Employee benefits expenses	1.84	1.42
R & D Expenditure	3.05	3.62
Total	**4.89**	**5.04**

c) Expenditure in Foreign Currency

Particulars	2023-24	2022-23
Legal & Professional Fees	0.39	0.34
Total	**0.39**	**0.34**

NOTE 32. TAX EXPENSE

a) Current Tax

Particulars	For the year 2023-24	For the year 2022-23
Tax for the year	28.87	38.87
Tax in respect of earlier years	(0.41)	(0.49)

(All figures are Rupees in crores unless otherwise stated)

Particulars	For the year 2023-24	For the year 2022-23
Deferred Tax Expenses	(10.72)	(5.17)
Income Tax expense	**17.75**	**33.21**
Tax charged to other comprehensive income		
Deferred Tax Expenses	0.01	(0.06)
Tax charged to other comprehensive income	**0.01**	**(0.06)**

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

I.

Particulars	For the year 2023-24	For the year 2022-23
Accounting profit before income tax	52.24	137.58
Enacted tax rates in India (%)	25.17%	25.17%
Computed expected tax expenses	**13.15**	**34.63**
Tax effects of amounts that are not deductible (taxable) in calculating taxable income:		
Net changes on account of disallowances	15.68	8.08
Net changes on account of Allowances	(10.83)	(5.35)
Losses to be carried forward	10.24	1.46
Differential Tax Rate	0.36	0.02
Others	0.27	0.02
Income tax expenses	**28.87**	**38.85**

II. Deferred tax assets/(liabilities) in relation to:

As at March 31, 2024	Opening/ Created on Acquisition*	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment including ROU	(1.06)	(6.95)	-	(8.01)
Tax Disallowance	2.70	4.58	0.02	7.30
Impairment Allowance for trade receivables	5.44	0.98	-	6.42
Fair Valuation of Investment	0.01	0.00	-	0.01
Time value of derivatives designated as cash flow hedges	0.01	-	(0.01)	-
Unabsorbed Losses	0.79	7.97	-	8.76
Financing Arrangement under Sale and Lease Back Arrangement		3.68	-	3.68
Property, Plant and Equipment		0.01	-	0.01
Fair Valuation of Property, Plant & Equipment	(2.98)			(2.98)
Provision for non moving inventories	0.09			0.09
Others	(0.03)	0.45	-	0.42
	4.97	**10.72**	**0.01**	**15.70**

* The Deferred Tax on acquisition date has been clubbed under opening for the purposes of Reconciliations.

(All figures are Rupees in crores unless otherwise stated)

As at March 31, 2023	Opening/ Created on Acquisition*	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(1.37)	0.41	-	(0.96)
Provisions	0.22	2.45	-	2.67
Impairment Allowance for trade receivables	3.89	1.54	-	5.44
Fair Valuation of Investment	0.03	(0.03)	-	0.00
Time value of derivatives designated as cash flow hedges	0.04	-	(0.03)	0.01
Others	0.00	-	(0.03)	(0.03)
Unabsorbed Losses	-	0.79	-	0.79
	2.81	**5.17**	**(0.06)**	**7.92**

NOTE 33. EARNING PER SHARE

Disclosure as required by Accounting Standard – Ind AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

A. Net Profit/(loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	For the year 2023-24	For the year 2022-23
Profit/(Loss) for the period (Rs. in Lakh)	34.89	104.37
Outstanding equity shares at period end	4,00,13,467	4,00,13,467
Weighted average Number of Shares outstanding during the period - Basic	4,00,13,467	4,00,13,467
Weighted average Number of Shares outstanding during the period - Diluted	4,00,13,467	4,00,13,467
Earnings per Share - Basic (Rs. Per Share)	8.72	26.08
Earnings per Share - Diluted (Rs. Per Share)	8.72	26.08

B. Reconciliation of weighted number of outstanding during the period:

Particulars	For the year 2023-24	For the year 2022-23
Nominal Value of Equity Shares (Rs. Per Share)	10	10
Total number of equity shares outstanding at the beginning of the period	4,00,13,467	4,00,13,467
Add: Issue of Equity Shares during the period	-	-
Total number of equity shares outstanding at the end of period	4,00,13,467	4,00,13,467
Weighted average number of equity shares at the end of period - Basic	4,00,13,467	4,00,13,467
Weighted average number of equity shares at the end of period - Dilutive	4,00,13,467	4,00,13,467

NOTE 34. COMMITMENTS

Particulars	As at 31-03-2024	As at 31-03-2023
Estimated amount of contracts remaining to be executed in Capital Account and not provided for (Net of Advance) i.e. the amount payable for the undelivered capital expenditure items.	25.78	60.10
Capital Commitment towards Investment with Fireside Ventures Investment Fund	3.50	4.25
Total	**29.28**	**64.35**

(All figures are Rupees in crores unless otherwise stated)

NOTE 35. CONTINGENT LIABILITIES

i.

Particulars	As at 31-03-2024	As at 31-03-2023
Bank Guarantees	8.34	6.14
Letter of Credit	0.40	-
Guarantee Given on behalf of Subsidiary	29.49	-
Claims not acknowledged as debts		
Disputed Excise Duty/Custom Duty Demands	10.06	23.49
Legal Matters With Customers	3.38	-
Demand under Goods and Service Tax (Refer Note 1)	10.86	0.36
Disputed VAT Liability (Refer Note 2)	0.61	0.61
Disputed Income Tax demands (Refer Note 3&4)	7.51	6.20
TDS Defaults (Refer Note 5)	0.83	-
Disputed demand with MPCB/NGT case pending at Supreme Court (Refer note 6)	0.27	-
	71.76	**36.80**

Notes:

Holding Company

1) In Current year out of the above Rs. 2.91 Crores is paid against demand.

2) Out of the above Rs. 0.39 Crores is paid against demand.

3) Out of the above Rs. 0.75 Crores is paid against demand.

4) In certain Assessment Years, the Outstanding Demands on the Income Tax Site are on a higher side including interest accrued against which the demand orders are for lesser amount of demands. These are pending to be rectified on the Income site by the Department. The Company has shown Contingent Liability basis the demand orders received taking into account the appeal file against the same.

5) The Group of companies - The Demands are majorly against Inoperative PAN status due to non linking of PAN and Aadhar by the Counter parties. The Company is in the process of getting the same rectified from the parties post which the demand would change.

Daikaffil Chemical India Limited

6) Disputed demand with MPCB/NGT case pending at Supreme Court - 30% Deposit placed with Supreme Court against cases pending.

NOTE 36.

In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

NOTE 37. DISCLOSURE IN ACCORDANCE WITH IND AS – 108 "OPERATING SEGMENTS", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. As the Group is engaged in providing similar nature of products, production process, customer types etc., the group has a single operating segment of "Agro chemicals", there are no differing risks and returns attributable to the Group's services to its customers. Further, The Group primarily operates in India and therefore the analysis of geographical segment is demarcated into its Indian and Overseas revenue as under:

a. Geographical Segment

Particulars	2023-24	2022-23
Revenue (Gross Sale)		
India	833.11	776.38
Overseas	423.96	534.87
Total	**1,257.07**	**1,311.25**

b. The Group is not reliant on revenue from transactions with any single external customer and does not receive 10 % or more of its revenue from transactions with any single external customer.

(All figures are Rupees in crores unless otherwise stated)

NOTE 38. DISCLOSURE IN ACCORDANCE WITH IND AS - 24 "RELATED PARTY DISCLOSURES", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015

Details are given in Statement - 2

NOTE 39. FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars		Carrying Value		Fair Value	
		As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
a)	**Financial Assets**				
	Financial assets measured at fair value through P&L				
	Investments	1.35	0.75	1.35	0.75
	Financial assets measured at amortized cost				
	Investments	0.22	0.02	0.22	0.02
	Loans (Full figure for 2023-24 Rs. 40,853/-)	0.00	-	0.00	-
	Others	14.25	8.30	14.25	8.30
	Trade receivables	466.88	386.18	466.88	386.18
	Cash and cash equivalents	28.50	100.06	28.50	100.06
	Bank balances other than above	11.05	19.37	11.05	19.37
	Total Financial Assets	**522.26**	**514.68**	**522.26**	**514.68**
b)	**Financial Liabilities measured at amortized cost**				
	Borrowings	160.95	89.01	160.95	89.01
	Trade payables	289.57	189.32	289.57	189.32
	Lease Liability	4.01	4.00	4.01	4.00
	Others	117.53	43.08	117.53	43.08
	Total Financial Liabilities	**572.06**	**325.42**	**572.06**	**325.42**

The Group has assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 40. FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's senior management oversees management of these risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i) Market Risk

a. Foreign currency risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices etc. The group's operations involve foreign exchange transactions including mainly import, export, packing credit facilities and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US$. Foreign currency risk arises from future commercial transactions and recognised in assets and liabilities denominated in foreign currency that is not Company's functional currency. (i.e INR) The risk is measured through forecast of highly probable foreign currency cash flow.

Derivative contracts outstanding

Particulars	Currency	March 31, 2024	March 31, 2023
Forward contracts to sell USD	USD	-	0.30

(All figures are Rupees in crores unless otherwise stated)

Uncovered risks in foreign currency transactions disclosed as at

Particulars	Currency	March 31, 2024		March 31, 2023	
		FC	INR	FC	INR
Trade Receivable	USD	1.67	138.27	1.88	179.53
Trade Receivable	EURO	0.02	1.48	-	-
Borrowing (PCFC)	USD	0.81	67.17	0.37	30.18
Bank (EEFC)	USD	0.54	44.78	0.60	49.48
Bill Discounting	USD	0.09	7.30	-	-
Trade Payable	USD	0.11	9.42	0.09	7.28
Advances from customer	USD	0.03	2.32	0.02	1.47
Advances from customer	EURO	0.04	3.65	0.00	0.18

Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax:

Particulars	March 31, 2024		March 31, 2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD (Receivables)	0.08	(0.08)	0.09	(0.09)
USD (Payables)	(0.08)	0.08	(0.05)	0.05
Net Increase/(Decrease) in Profit or loss	**0.01**	**(0.01)**	**0.04**	**(0.04)**
EURO (Receivables)	0.00	(0.00)	-	-
EURO (Payable)	(0.00)	0.00	(0.00)	0.00
Net Increase/(Decrease) in Profit or loss	**(0.00)**	**0.00**	**(0.00)**	**0.00**

(March 31, 2024 fill figure Rs. 12,161 Increase and Rs. 12,161 (decrease))

(March 31, 2023 fill figure Rs. 0 Increase and Rs. 1,095 (decrease))

b. Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings and loans given affected. With all other variables held constant, the Groups profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Changes in basis points	Effect on profit before tax 2023-24	Effect on profit before tax 2022-23
Financial liabilities			
Interest rates - increase - 1%	100.00	(1.39)	(0.89)
Interest rates - decrease - 1%	(100.00)	1.39	0.89

Long term borrowing carries fixed interest rate hence it is not considered in above.

c. Other Market Price Risk

The Group is exposed to Equity price risk, which arises from FVTPL of Equity securities. The Group has a very insignificant portion of amount invested in quoted equity securities. The management monitors the proportion of quoted equity instruments in its investment portfolio based on market indices.

Hedge Accounting

The Group's business objective includes safe-guarding its earnings against adverse price movements of foreign exchange. The Group has adopted a policy to hedge all risks within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges.

There is an economic relationship between the hedged items and the hedging instruments. The Group has established a hedge ratio of 1:1 for the hedging relationships.

(All figures are Rupees in crores unless otherwise stated)

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows;
- Different indexes;
- The counterparties' credit risk differently impacting the fair value movements.

Movement in Cash Flow Hedge

Particulars	2023-24	2022-23	Line Item in Balance Sheet/Statement of Profit and Loss
At the beginning of the year	-	(0.09)	
Gain/(loss) recognised in other comprehensive income during the year	-	0.11	Items that will be reclassified to Profit & Loss
Deferred tax on Gain/(loss) recognised in other comprehensive income during the year	-	(0.03)	
Amount reclassified to Profit and Loss during the year	-	-	Value of Sale
Deferred tax on Amount reclassified to Profit and Loss during the year	-	-	
At the end of the year	-	-	Other Comprehensive Income

ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

Trade and Other Receivables

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss.

iii) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Group manages its liquidity risk by preparing month on month cash flow projections to monitor liquidity requirements.

The Working Capital Position of the Group is given below:

Particulars	2023-24	2022-23
Inventories	274.72	303.59
Cash and Bank Balance	28.50	100.06
Bank Balance Other than above	11.05	19.37
Trade Receivable	466.88	386.18
Other Financial Assets	2.71	2.87
Other Current Assets	56.62	32.09
Total	**840.48**	**844.16**
Less:		
Borrowings	143.04	89.01
Lease Liability - ROU Asset	0.39	0.48

(All figures are Rupees in crores unless otherwise stated)

Particulars	2023-24	2022-23
Trade payables	289.57	189.32
Other financial liabilities	117.53	43.08
Provisions	1.70	1.63
Other Current liabilities	18.19	8.09
Current Tax Liabilities	20.60	7.80
	591.02	**339.41**
Net Working Capital	**249.46**	**504.76**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31st March 2024

Particulars	Less than 1 year	2-5 years	More than 5 years	Total
Borrowing	128.69	14.35	-	143.04
Trade Payable	289.57	-	-	289.57
Other Financial Liabilities	117.53	-	-	117.53
Total	**535.78**	**14.35**	**-**	**550.14**

As at 31st March 2023

Particulars	Less than 1 year	2-5 years	More than 5 years	Total
Borrowing	89.01	-	-	89.01
Trade Payable	189.32	-	-	189.32
Other Financial Liabilities	43.08	-	-	43.08
Total	**321.41**	**-**	**-**	**321.41**

The above contractual Maturity profile does not include Lease Liability for which profile is separately disclosed vide Note No.16.

NOTE 41. FAIR VALUE HIERARCHY

This Section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022:

Particulars	Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through P&L				
Investments (*)	31-03-2024	-	-	1.35
Fair value of foreign exchange derivative assets	31-03-2024	-	-	-
Total financial assets		**-**	**-**	**1.35**

(All figures are Rupees in crores unless otherwise stated)

Particulars	Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through P&L				
Investments (*)	31-03-2023	-	-	0.75
Fair value of foreign exchange derivative assets	31-03-2023	-	0.17	-
Total financial assets		**-**	**0.17**	**0.75**

(*) The Holding Company has made an investment in Alternate Investment Fund (AIF) of Rs. 1.50 Crores (Rs. 0.75 Crores in previous year). This investment is marked at fair value through profit and Loss (FVTPL);

During the previous year in the absence of data of Fair Valuation as at March 31, 2023, the same is carried at its carrying value in books, although the same is accounted at FVTPL. The management does not expect the fair value changes to be material to the financial statements.

NOTE 42. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's adjusted net debt to equity ratio as follows:

Particulars	2023-24	2022-23
Gross Debt	160.95	89.01
Less: Cash and Cash Equivalent	28.50	100.06
Net debt (A)	**132.45**	**(11.05)**
Total Equity (B)	**843.06**	**810.37**
Gearing ratio (A/B)	**6.37**	**-**

Since net debt is negative Gearing ratio is "0", in previous year.

NOTE 43. RELATIONSHIP WITH STRUCK OFF COMPANIES

The information about transaction with struck off Companies (defined under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Holding Company and the same is relied upon by the auditors.

NOTE 44. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries in Statement 3.

NOTE 45. BUSINESS COMBINATION

Mikusu India Private Limited (wholly owned subsidiary Company - Acquirer Company) has entered into Share Purchase Agreement dated November 8, 2023, with the promoters and other shareholders to acquire 29,08,719 Equity Shares (FV of Rs. 10 Each) consisting of 48.48% of the total equity share capital of Daikaffil Chemicals India Limited. These shares were purchased and transferred to the Company in tranches with the last tranche being transferred on February 05, 2024.

The Company has de-facto control over Daikaffil in accordance with Ind AS 110 - Consolidated Financial Statements under the Companies (Indian Accounting Standards) Rules 2015. Accordingly, Heranba Industries Limited ("Ultimate holding Company") has Consolidated Financial Statements of M/s Daikaffil Chemicals India Limited from February 5th 2024, as a step down subsidiary.

(All figures are Rupees in crores unless otherwise stated)

The Disclosures required under Ind AS 103 are given here under:

Particulars	Disclosure
Name and Description of Acquiree	Daikaffil Chemicals India Limited is a domestic public limited Company incorporated and domiciled in India with registered office situated at E-4, M.I.D.C. Tarapur, Boisar Dist. Thane Boisar, Maharashtra-401506 and is listed on the Bombay Stock Exchange (BSE). The Company is engaged in manufacturing of organic chemicals and intermediaries and trading of chemicals
Acquisition Date	February 5, 2024
Percentage of voting interest acquired.	48.48%
Primary reason for business acquisition	The acquisition of controlling stake in Daikaffil will enable the parent Company to develop research and development centre for chemicals
Qualitative reasons for Good will acquired	No Goodwill has been acquired as the aforesaid acquisition resulted in a gain/bargain purchase of Rs. 2.79 Crores
Acquisition date fair value of consideration transferred	Rs. 6.98 Crores paid to the Promotors and Shareholders of Daikaffil
Contingent Consideration	Nil
Acquired Receivables	All the acquired receivables are fully collectible and there are no amount which is not expected to be not collected
Acquisition date fair value of major assets and liabilities	PPE - Rs. 13.59 Crores Non-Current Assets Rs. 0.21 Crores Current Assets Rs. 9.50 Crores Non-Current Liabilities Rs. 2.98 Crores* Current Liabilities Rs. 0.15 Crores *deferred tax liability that has been created on the difference between fair value of assets acquired and their book value in the books of acquiree
Amount of Goodwill expected to be tax deductible	There is no Goodwill in the business purchase
Amount recognised on Bargain Purchase	Rs. 2.79 crore is recognised in other equity as Capital Reserve in Bargain Purchase
Non-Controlling Interest Disclosure	The Company has recognised Rs. 10.39 crore as NCI on acquisition date on the basis of the Fair value of assets and liabilities acquired. The same was done on the basis of valuer who determined the fair value of PPE. The management assessed the other assets and liabilities as being equal to the value at which they were carried on acquisition date.
Amount of Revenue and Profit recognised in the Consolidated Profit and Loss	Revenue - Rs. Nil Loss - Rs. 0.75 crore (after OCI)

NOTE 46. DISCLOSURE OF INTEREST IN OTHER ENTITIES AS PER IND AS 112

Consolidated financial statements comprises the financial statements of Heranba Industries Limited and its subsidiaries, as listed below:

Name of entity	Relationship	Principal place of business	Proportion of ownership (%) as at March 31, 2024	Proportion of ownership (%) as at March 31, 2023
Mikusu India Private Limited	Subsidiary Company	India	100.00%	100.00%
Heranba Organics Private Limited	Subsidiary Company	India	100.00%	100.00%
Daikaffil Chemicals India Limited	Step down Subsidiary Company	India	48.48%	-

Since Daikaffil Chemicals India Limited (Step down Subsidiary Company) is not material to the Holding Company the disclosure under Ind AS 112 is not given.

(All figures are Rupees in crores unless otherwise stated)

NOTE 47. NOTE IN STEP DOWN SUBSIDIARY DAIKAFFIL CHEMICAL INDIA LIMITED

i) Due to manufacturing orders drying up and as a result, the costs becoming higher than the revenue, the Company has incurred losses. To restrict any further erosion of capital due to the losses, the management has undertaken certain cost saving measures and discontinued certain services. The management decided to undertake a planned shutdown of the factory in 2021-22 so that the fixed cost of plant is saved. The manufacturing operations has been shut down from end of November, 2021 and certain workers/labourers were retrenched. During the previous quarter, the Management had filed an application with labour court withdrawing of closure of plant operations and reinstating workers along with payment of their back wages and additional claims if any. The Management of the Company have entered in Memorandum of Settlement on 22nd February 2024 with Workmen employed represented by Shramik Utkarsh Sabha towards full & final settlement of their dues during closure of factory. The Company has paid settlement amount as agreed and adequate provisions are made for outstanding liabilities in terms of said agreement. The plant operations will resume shortly in consultation with the Acquirer. The Company's liquidity position is very healthy and its liquid assets are far higher than its liabilities. In light of above, the Company does not envisage any threat to going concern status of the Company and hence, the financial results have been prepared on going concern basis.

ii) The Company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

NOTE 48. AUDIT TRAIL NOTE

In case of Holding Company and Two Wholly Owned Subsidiary Company

The Ministry of Corporate Affairs (MCA) by the Companies (Accounts) Amendment Rules 2021 and vide notification dated 24 March 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021 has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

As required under above rules, the Company uses Navision and HRMS software for its financial accounting and HR which works along with Database for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded and the audit trail feature has not been tampered with except:

i) the audit trail feature was not enabled at the database level for accounting software "Navision" to log any direct data changes, used for maintenance of all accounting records by the Company.

ii) At present the audit trail is preserved only for a period of six months and all audit trails beyond six months are not preserved due to space constraints. Further, Back up of the audit trail has not been preserved as per statutory requirements for record retention due to cloud space constraints.

NOTE 49.

The Board of Directors at their meeting held on May 27, 2024 has recommended dividend of Rs. 1.25 per share (12.5% of FV- Rs. 10) on the outstanding equity shares of nominal value of Rs. 10/- each as on record date, subject to shareholder approval at the ensuing Annual General Meeting.

NOTE 50.

The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of material accounting policy information and the other explanatory notes forms an integral part of the financial statements of the Group for the year ended March 31, 2024.

NOTE 51.

Since the Company has prepared consolidated financial statements for the first time in the previous year, the Cash flow statement for the previous year under the indirect method could not be prepared in the absence of the opening Balance Sheet. Consequently comparative figures for the previous year are not presented.

NOTE 52.

Figures of the previous period have been regrouped/reclassified wherever necessary including to conform to current period's classification.

As per our report of even date attached

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No.: 106971W

For & on behalf of the Board of Directors
Heranba Industries Limited

N. Jayendran Partner M. No.: 040441	**S. K. Shetty** Chairman DIN: 00038681	**R. K. Shetty** Managing Director DIN: 00038703
Place: Mumbai **Dated:** May 27, 2024	**Abdul Latif** Company Secretary	**Raj K Bafna** Chief Financial Officer

(All figures are Rupees in crores unless otherwise stated)

STATEMENT 1 - RETURNS/STATEMENTS SUBMITTED TO THE BANK BY THE HOLDING COMPANY

Sr. No.	Quarter	Name of Bank	Particulars of Securities Provided	31-03-2024 (Amount in Crores)			Reason for material discrepancies
				Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	
1	Q1	Bank of Baroda	Stock	268.65	267.77	0.88	Refer Foot notes
2	Q1	Bank of Baroda	Books Debts	474.36	329.05	145.31	
3	Q1	Bank of Baroda	Trade payable	282.17	258.19	23.98	
4	Q2	Bank of Baroda	Stock	297.14	298.92	(1.78)	
5	Q2	Bank of Baroda	Books Debts	540.49	418.49	122.00	
6	Q2	Bank of Baroda	Trade payable	369.20	330.04	39.16	
7	Q3	Bank of Baroda	Stock	251.74	254.85	(3.11)	
8	Q3	Bank of Baroda	Books Debts	532.14	375.55	156.59	
9	Q3	Bank of Baroda	Trade payable	308.60	255.45	53.15	
10	Q4	Bank of Baroda	Stock	240.94	253.75	(12.81)	
11	Q4	Bank of Baroda	Books Debts	502.64	302.62	200.02	
12	Q4	Bank of Baroda	Trade payable	291.52	205.49	86.03	

Sr. No.	Quarter	Name of bank	Particulars of Securities Provided	31-03-2023 (Amount in Crores)			Reason for material discrepancies
				Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	
1	Q1	Bank of Baroda	Stock	303.87	303.87	(0.00)	Refer Foot notes
2	Q1	Bank of Baroda	Books Debts	440.44	527.10	(86.66)	
3	Q1	Bank of Baroda	Trade payable	253.96	267.64	(13.68)	
4	Q2	Bank of Baroda	Stock	343.53	343.53	(0.00)	
5	Q2	Bank of Baroda	Books Debts	545.67	566.75	(21.08)	
6	Q2	Bank of Baroda	Trade payable	369.35	332.53	36.83	
7	Q3	Bank of Baroda	Stock	318.19	318.19	(0.00)	
8	Q3	Bank of Baroda	Books Debts	487.27	506.08	(18.81)	
9	Q3	Bank of Baroda	Trade payable	246.66	211.95	34.72	
10	Q4	Bank of Baroda	Stock	291.93	291.93	0.00	
11	Q4	Bank of Baroda	Books Debts	387.58	441.26	(53.69)	
12	Q4	Bank of Baroda	Trade payable	186.58	178.17	8.41	

(All figures are Rupees in crores unless otherwise stated)

Foot Note:

1. There is a mismatch in the books and quarterly stock reports sent to the lenders due to error in tracing items of inventory viz a viz books and statement submitted to the lenders.

2. Quarterly statement submitted to the bank are subject to adjustment towards credit balances or debit balances of the same party (towards purchase and sales) and exchange fluctuation.

3. Quarterly Statement filed with the Banks are based on Bill dates.

4. Quarterly Statement filed with the Banks are considering the balances of only Raw Material and Packing Material Vendors.

5. Quarterly Statement filed with the Banks are without considering the Advance to Suppliers and Advance from Customers.

6. For last quarter of the current year provisional statement has been submitted, final statement in progress.

STATEMENT 2 - RELATED PARTY TRANSACTIONS

A. Relationship

Enterprises over which key management personnel and their relatives exercise control

- Sams Industries Limited

Key Management Personnel and their Relatives

- Sadashiv K Shetty (Chairman)
- Raghuram K Shetty (Managing director)
- Sujata S Shetty (Whole-Time and Executive Director)
- Vanita R Shetty (Whole-Time and Executive Director)
- Shriraj S Shetty
- Raunak R Shetty (Whole-Time and Executive Director)
- Shreya Shetty
- Roshan R Shetty
- Sadashiv Shetty - HUF
- Raghuram Shetty - HUF

B. The following are the transactions with related parties

Related party transactions

Sr. No.	Nature of transaction	Key management personnel, their relatives		Enterprises where significant influence exists		Total	
		F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23
1	**Professional Charges**	**0.18**	**0.18**	**-**		**0.18**	**0.18**
	Mrs. Shreya M Shetty	0.18	0.18	-		0.18	0.18
2	**Payment of Dividend**	**3.64**	**5.82**	**0.11**	**0.17**	**3.75**	**5.99**
	Sadashiv K Shetty	0.90	1.44	-		0.90	1.44
	Raghuram K Shetty	1.49	2.37	-		1.49	2.37
	Sujata S Shetty	0.40	0.65	-		0.40	0.65
	Vanita R Shetty	0.25	0.40	-		0.25	0.40
	Shriraj S Shetty	0.11	0.17	-		0.11	0.17
	Raunak R Shetty	0.08	0.13	-		0.08	0.13
	Shreya Shetty	0.12	0.19	-		0.12	0.19
	Roshan R Shetty	0.08	0.13	-		0.08	0.13
	Sadashiv K Shetty - HUF	0.04	0.06	-		0.04	0.06
	Raghuram K Shetty - HUF	0.17	0.28	-		0.17	0.28
	Sams Industries Limited	-	-	0.11	0.17	0.11	0.17
3	**Remuneration of key management personnel**	**4.25**	**7.76**	**-**		**4.25**	**7.76**
	Sadashiv K Shetty	1.56	1.43	-		1.56	1.43
	Raghuram K Shetty	1.39	5.61	-		1.39	5.61
	Sujata S Shetty	0.24	0.06	-		0.24	0.06
	Vanita R Shetty	0.24	0.06	-		0.24	0.06
	Shriraj S Shetty	0.30	0.30	-		0.30	0.30
	Raunak R Shetty	0.52	0.30	-		0.52	0.30

(All figures are Rupees in crores unless otherwise stated)

Sr. No.	Nature of transaction	Key management personnel, their relatives		Enterprises where significant influence exists		Total	
		F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23	F.Y 23-24	F.Y 22-23
4	**Salary to relative of key management personnel**	**-**	**0.02**	**-**		**-**	**0.02**
	Sujata S Shetty	-	0.01	-		-	0.01
	Vanita R Shetty	-	0.01	-		-	0.01
5	**Guarantee given by Outstanding Balance**	**139.49**	**86.90**	**-**	**-**	**139.49**	**86.90**
	Guarantee given by Directors to Bank	139.49	86.90	-	-	139.49	86.90

Related party relationships are as identified by the Company and relied upon by the auditors.

The managerial personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as this is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.

STATEMENT 3 - ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

Name of Subsidiary	Heranba Industries Limited		Mikusu India Private Limited		Heranba Organics Private Limited		Daikaffil Chemicals India Limited		Non-Controlling Interest		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Net Worth												
As a % of networth	88.52%	98.20%	10.66%	1.92%	-0.31%	-0.11%	-0.04%	0.00%	1.17%	0.00%	100.00%	100.00%
Amount	755.11	795.77	90.93	15.53	(2.62)	(0.93)	(0.36)	-	10.00	-	853.06	810.37
Share in profit/(loss)												
As a % of consolidated net assets	-162.34%	86.01%	266.44%	14.88%	-1.92%	-0.89%	-1.05%	0.00%	-1.13%	0.00%	100.00%	100.00%
Amount	(55.99)	89.77	91.90	15.53	(0.66)	(0.93)	(0.36)	-	(0.39)	-	34.49	104.37
Share in other comprehensive income												
As a % of consolidated net assets	870.20%	100.00%	-770.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
Amount	(0.02)	0.19	0.01	-	-	-	-	-			(0.00)	0.19
Share in total comprehensive income												
As a % of consolidated net assets	-162.40%	86.04%	266.50%	14.85%	-1.92%	-0.89%	-1.05%	0.00%	-1.13%	0.00%	100.00%	100.00%
Amount	(56.01)	89.96	91.91	15.53	(0.66)	(0.93)	(0.36)	-	(0.39)	-	34.49	104.56

HERANBA INDUSTRIES LTD

CORPORATE OFFICE

2nd Floor, A Wing, Fortune Avirahi,
Jambli Galli Jain Derasar Lane,
Borivali (W), Mumbai - 400 092.